SCIENTEX®

healthy, friendly & happy ...

ANNUAL REPORT

2015

SCIENTEX BERHAD
(7867-P)

CHARTING THE FUTURE THROUGH CONTINUOUS GROWTH AND EXPANSION

It is a universal principle that the future we hope to see depends on the building blocks we have placed in the past. For more than four decades, Scientex has acquired the expertise and experience to piece together a foundation of business strength and success that today becomes the solid platform to achieve all our future aspirations. Through strategic mergers and acquisitions complemented by consistent business evolution, Scientex has also entrenched the seeds for continuity and sustainability which we will harness and capitalise on through our passion for excellence, clarity of vision as well as good practices and teamwork. We are now poised to leverage on continuous growth and expansion as the way forward to chart the future.

Contents

Corporate Information

Board of Directors

Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim
Chairman & Independent Non-Executive Director

Lim Peng Jin
Managing Director

Lim Peng Cheong
Non-Independent Non-Executive Director

Cham Chean Fong @ Sian Chean Fong
Independent Non-Executive Director

Teow Her Kok @ Chang Choo Chau
Independent Non-Executive Director

Ang Kim Swee
Independent Non-Executive Director

Company Secretary

Ng Boon Ngee (MAICSA 7053979)

Audit Committee

Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim
Chairman

Cham Chean Fong @ Sian Chean Fong
Member

Ang Kim Swee
Member

Nomination Committee

Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim
Chairman

Cham Chean Fong @ Sian Chean Fong
Member

Remuneration Committee

Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim
Chairman

Lim Peng Jin
Member

Cham Chean Fong @ Sian Chean Fong
Member

Risk Management Committee

Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim
Chairman

Lim Peng Jin
Member

Teow Her Kok @ Chang Choo Chau
Member

Auditors

Deloitte & Touche
Level 16, Menara LGB
1, Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur

Solicitors

Koh Kim Leng & Co.
Shearn Delamore & Co.

Principal Bankers

HSBC Bank Malaysia Berhad
Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad
Malayan Banking Berhad
Public Bank Berhad
RHB Bank Berhad

Registered Office & Principal Place of Business

Jalan Utas 15/7, 40200 Shah Alam
Selangor Darul Ehsan
Tel: 03-5519 1325
Fax: 03-5519 1884
Website: www.scientex.com.my

Stock Exchange Listing

Main Market of Bursa Malaysia
Securities Berhad
[Stock code: 4731]

Share Registrar

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46, 47301 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7841 8000
Fax: 03-7841 8151/8152
Helpdesk: 03-7849 0777
Website: www.symphony.com.my

Group Structure

SCIENTEX®

Scientex Berhad
(Company No. 7867-P)

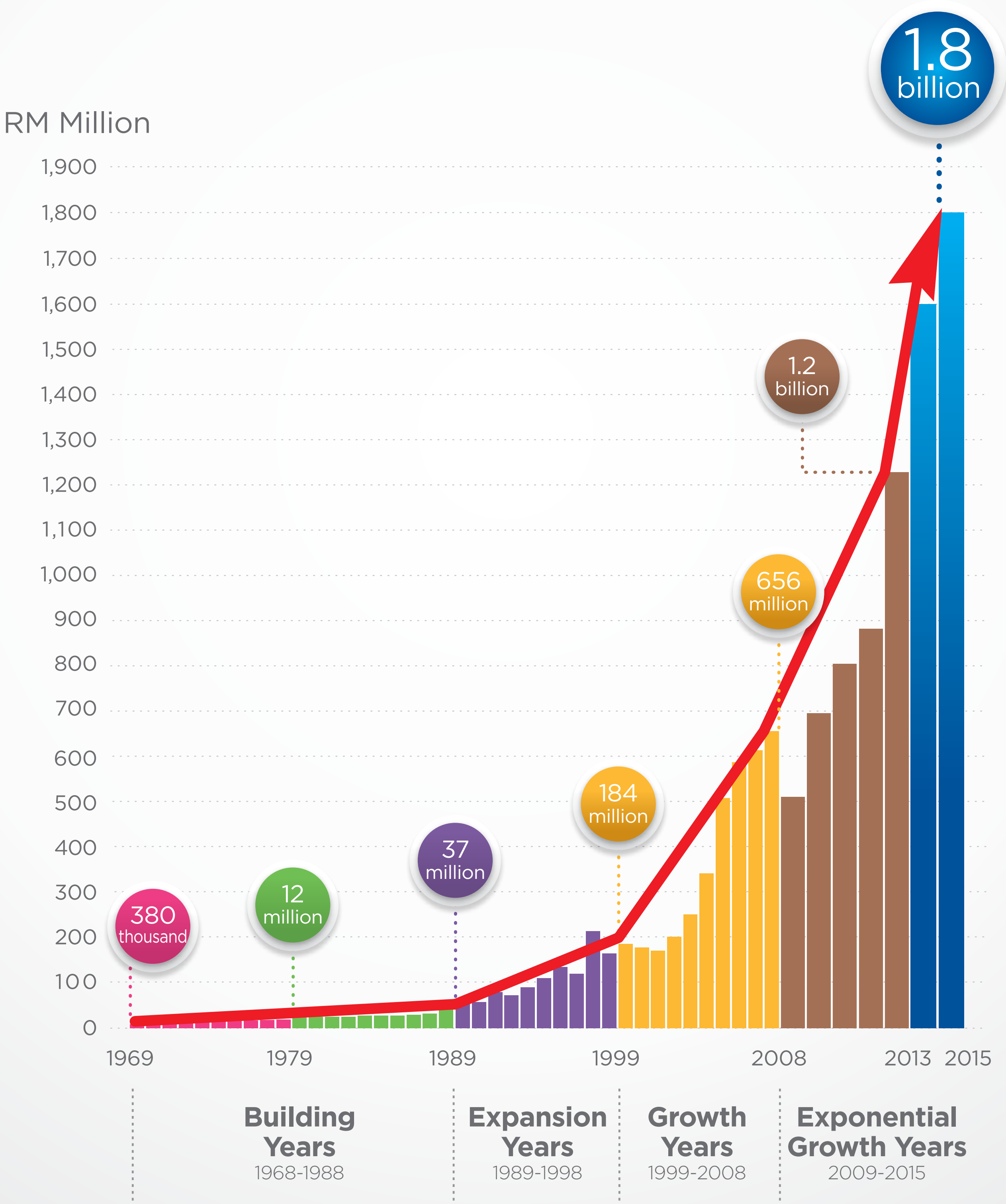
MANUFACTURING

- Industrial Packaging
- Consumer Packaging
- Automotive Interior
- Green Energy Products

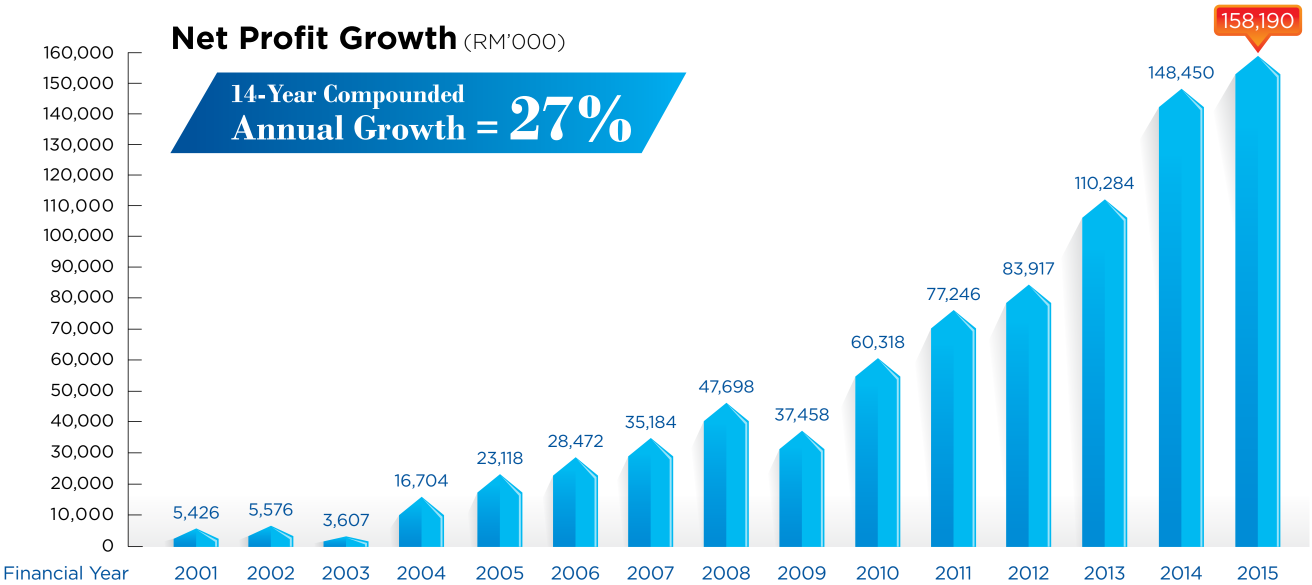
PROPERTY

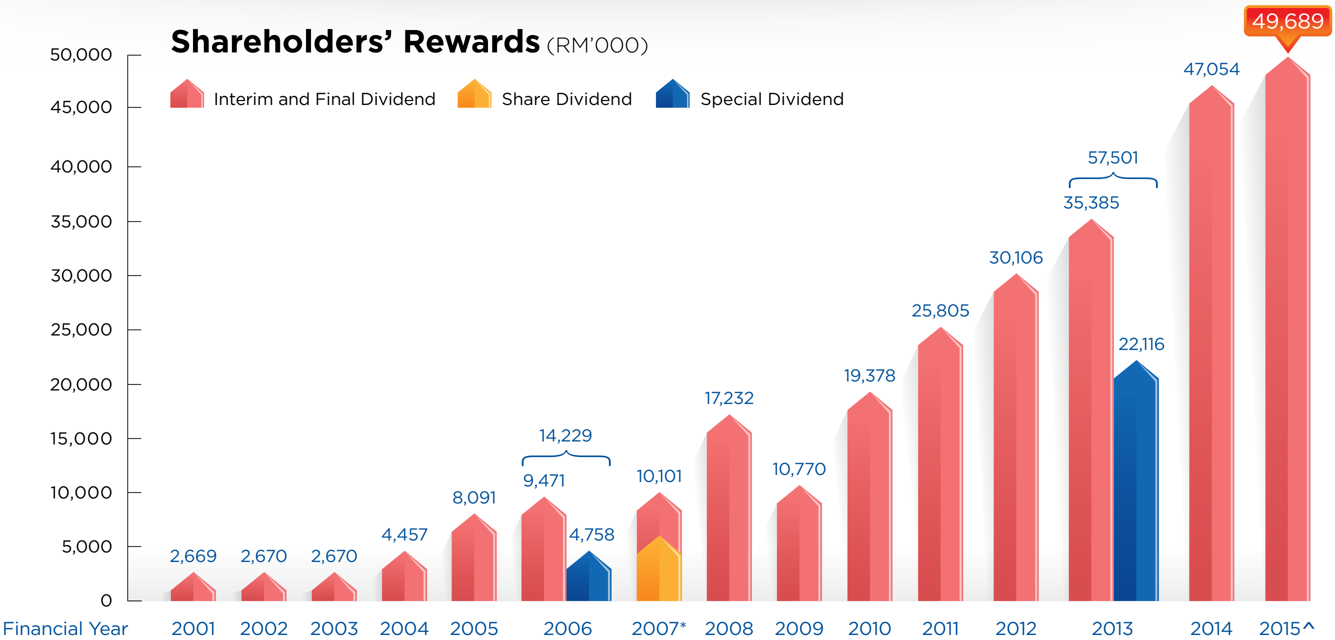
- Taman Scientex Pasir Gudang
- Taman Scientex Kulai 1, 2
- Taman Mutiara Mas, Skudai
- Taman Scientex Senai
- Taman Muzaffar Heights, Melaka

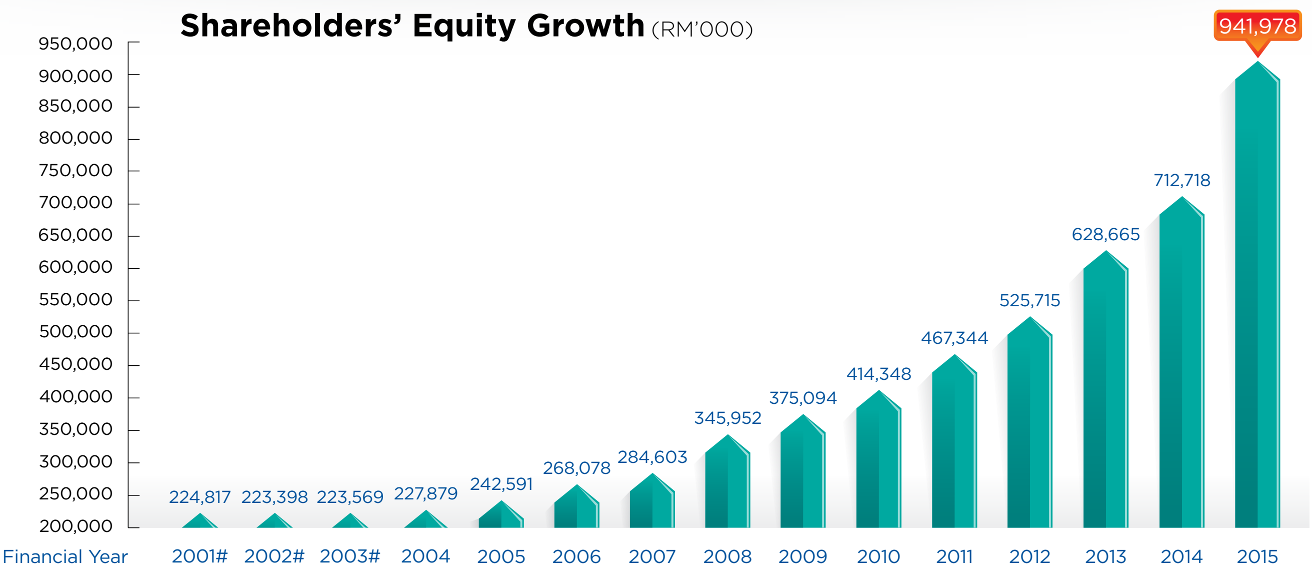
47 Years Of Revenue Growth 1969-2015



Scientex Performance Record







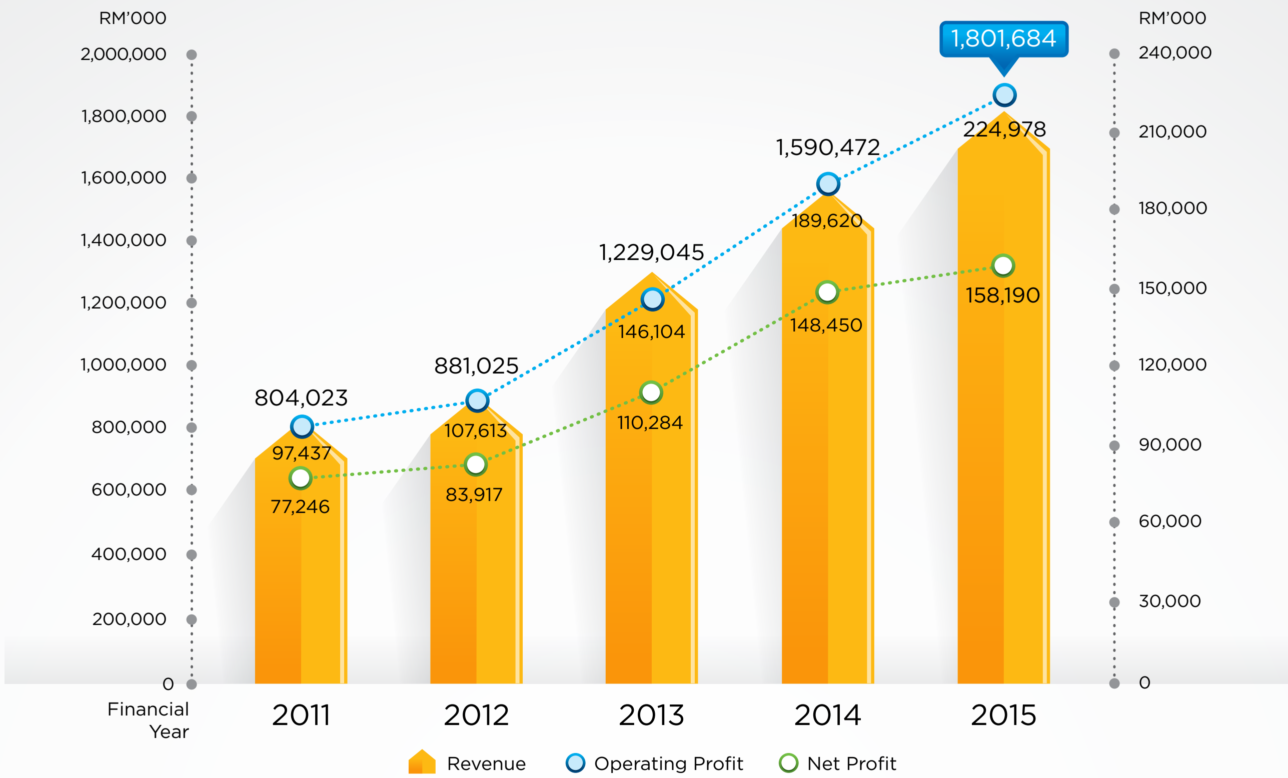
* *Includes a share dividend on the basis of one (1) treasury share for every fifty (50) existing ordinary shares held based on market value.*
^ *Includes a single tier final dividend of 13 sen per share proposed for shareholders' approval.*
\# *The figures have been restated for consistency.*

5-Year Group Financial Highlights

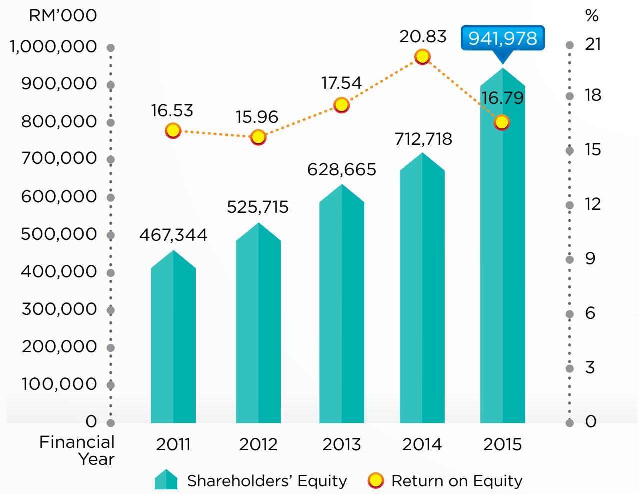
Year ended 31 July	2015 RM'000	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
Results					
Revenue	1,801,684	1,590,472	1,229,045	881,025	804,023
Operating Profit	224,978	189,620	146,104	107,613	97,437
EBITDA	273,052	232,949	178,977	131,114	120,028
Profit Before Taxation	220,962	186,266	142,980	107,169	96,640
Profit After Taxation	162,096	151,501	112,497	87,869	80,118
Net Profit	158,190	148,450	110,284	83,917	77,246
Group Assets					
Non-current Assets	979,099	859,537	789,512	513,232	444,070
Current Assets	660,776	540,841	496,857	295,810	281,005
Total Assets Employed	1,639,875	1,400,378	1,286,369	809,042	725,075
Financed by					
Share Capital	115,000	115,000	115,000	115,000	115,000
Reserves	826,978	597,718	513,665	410,715	352,344
Equity attributable to owners of the Company	941,978	712,718	628,665	525,715	467,344
Non-controlling Interests	62,784	22,705	19,972	33,988	38,778
Current Liabilities	500,147	546,500	436,887	213,094	182,175
Non-current Liabilities	134,966	118,455	200,845	36,245	36,778
Total Funds Employed	1,639,875	1,400,378	1,286,369	809,042	725,075
Performance Indicators					
Earnings Per Share (Sen)	70.43	67.12	51.04	39.02	35.90
Net Dividend Per Share (Sen)	22.00 #	21.00	26.00	14.00	12.00
Net Assets Per Share (RM)	4.17	3.22	2.84	2.44	2.17
Net Gearing Ratio (Times)	0.14	0.36	0.29	0.04	0.01
Return on Equity ("ROE") (%)	16.79	20.83	17.54	15.96	16.53

Includes a single tier final dividend of 13 sen per share proposed for shareholders' approval.

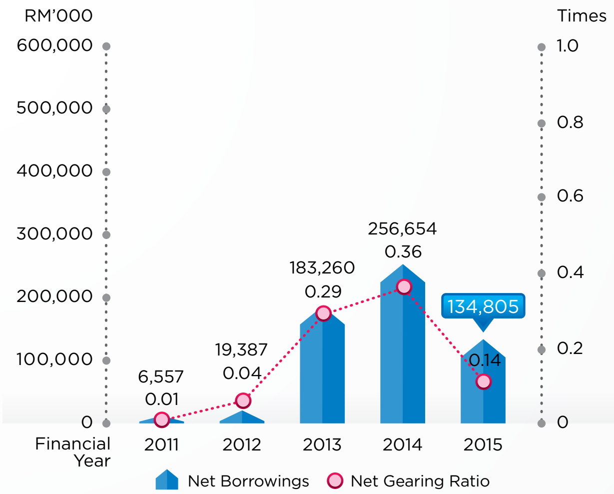
Group Financial Results



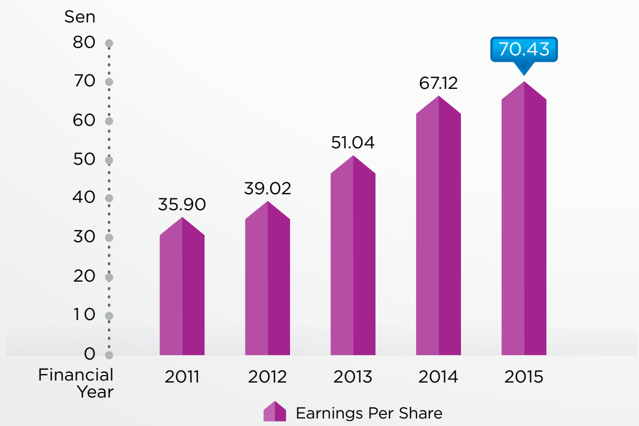
ROE & Shareholders' Equity



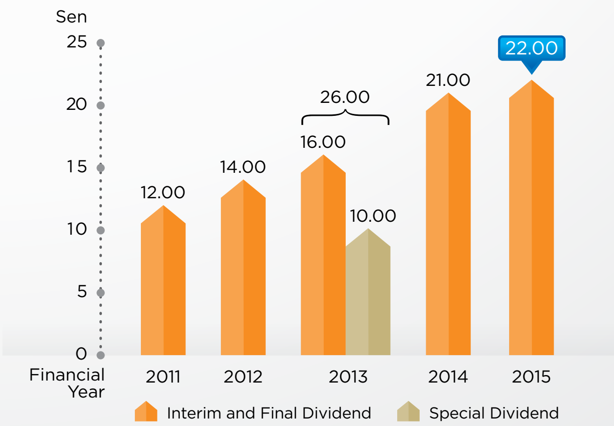
Net Gearing Ratio & Net Borrowings



Earnings Per Share



Net Dividend Per Share



Media Highlights

FOCUS MALAYSIA

24 MAINSTREAM FocusM | Dec 6-12, 2014

A world beater in stretched films

PJ Lim proves there is great future in manufacturing in the country

JONATHAN LEE/FocusM

The Transformers

by Philemon Soon

IT is never easy to step into the shoes of someone who is already a successful entrepreneur. But to take over your father's existing manufacturing business and grow it exponentially is really something, given today's highly competitive manufacturing environment. Thus, when a young scion of the family succeeds in doing so, it is bound to raise a few eyebrows.

Lim Peng Jin, or PJ to those who know him well, is one such person. As

(ability to consistently deliver quality products).

"We are ever mindful of the impact of globalisation and the emergence of low cost-producers. We continue to seek better ways and solutions through the continuous use of innovation and advanced technology to improve the quality and durability of our products.

"We also adopt a corporate philosophy that highly values and empower our employees at every level to strive for excellence, highest standards of professionalism and market leadership. This is done by encouraging employees to embrace a lifestyle and a positive work attitude that is healthy, friendly and happy."

PJ has increased Scientex's presence and stature in the manufacturing industry, particularly last year and this year. In February last year, Scientex ventured into food packaging by acquiring Great Wall Plastic Industries Bhd and GW Packaging Sdn Bhd.

Its consumer packaging business has been integrated under Scientex Great Wall Sdn Bhd, giving the group a platform to provide the full range of solutions and achieve rapid growth in consumer packaging in the Asia Pacific.

It also completed the acquisition of Seacera Polyfilms, which enabled Scientex to diversify its product range to BOPP film, tapping on existing customers of Seacera as well as exploring new market segments.

Today, Scientex has 10 manufacturing facilities, of which eight (including Pulau Indah's stretched film plant) are located in Malaysia and two in Vietnam. The

Insider

More than 1,400 affordable homes to be built in Pasir Gudang

Property developer Scientex Bhd is building 1,420 units of affordable properties in Taman Scientex Pasir Gudang, about 24km from Johor Baru, in support of the Johor government's "Rumah Mampu Milik Johor" (Johor Affordable Homes or

SunBIZ ON THURSDAY

Scientex buying plastic packaging firm for RM58m

PETALING JAYA: Scientex Bhd is acquiring the entire issued and paid-up share capital of Mondi Ipoh Sdn Bhd for RM58 million cash to expand its product portfolio in the packaging industry.

南洋商報

NANYANG SIANG PAU

扩大消费者包装业务

森德 5800 万购怡保 Mondi

（吉隆坡5日讯）森德（SCIENTX，4731，主板工业产品股）宣布，以5800万令吉收购怡

高达70%的营业额，来自亚太区出口活动，因此，对于森德而言，将获得区域内更大的包装

林炳仁

THE EDGE FINANCIAL DAILY MAKE BETTER DECISIONS

www.theedgemarkets.com

Star BIZ

Scientex to buy Mondi Ipoh for RM58mil

11 M'sian companies in Forbes Asia's 'Best Under A Billion' 2015

Down from 14 last year, but on par with India

南洋商報

NANYANG SIANG PAU

财经 BUSINESS NEWS A5

《福布斯》亚洲中小上市企业

11 马企入榜科技股领头

BERNAMA.com

English | Malay | Mandarin | عربى | Español

EKONOMI › BERITA

Scientex Akan Bina 1,420 Unit Hartanah Mampu Milik Di Pasir Gudang

KUALA LUMPUR, 2 Mei (Bernama) -- Scientex Quatari Sdn Bhd, anak syarikat milik penuh Scientex Bhd akan membina 1,420 unit rumah mampu milik dengan nilai pembangunan kasar RM184 juta di Scientex Pasir Gudang Park di Johor.

Media Highlights

Oriental Daily News 東方日報 财经 BUSINESS

油价跌令吉弱 森德从中受惠

（吉隆坡17日讯）虽然油价下滑和令吉走弱，导致市场担心大马经济成长将受到冲击之际，市场上其实仍有一些企业可从这趋势中受益，而从事塑胶软包装产品生产及销售的森德公司（SCIENTX，4731，主板工业股）就是其中之一。

生产力料提高

NEWS

Scientex's plan progressing well

EXPANSION DRIVE: Firm's consumer packaging segment set to soar next year

mStar

Scientex Bina 1,420 Unit Rumah Mampu Milik

KUALA LUMPUR: Scientex Quatari Sdn Bhd, anak syarikat milik penuh Scientex Bhd

南洋商報 NANYANG SIANG PAU

财经 BUSINESS

全年赚1.58亿

森德末季派息13仙

扩展计划处于正轨

The Edge FINANCIAL DAILY

Scientex buys land in JB for RM219m, 3Q earnings up 18%

BY YIMIE YONG

KUALA LUMPUR: Packaging manufacturer and property developer Scientex Bhd intends to buy 326 acres (132ha) of freehold tract in Pulai, Johor Baru for RM219 million to expand its land bank.

In a statement yesterday, Sci-... be funded by internally generated funds and bank borrowings.

Pending approvals from shareholders at an upcoming extraordinary general meeting and the relevant authorities, the acquisitions are expected to be completed in the fourth quarter of 2015 (4Q15).

Scientex managing director ... million from RM426.77 million — due to improved contributions from its manufacturing segment and higher sales of affordable residences in Johor.

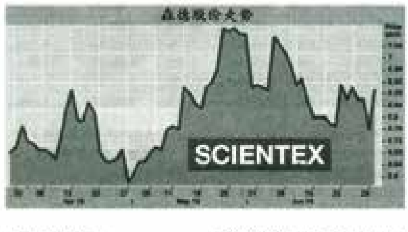
It also declared a single tier interim dividend of nine sen or 18%, payable on Aug 7. The ex-date is July 15.

For the nine months ended ...

東方日報 国内财经

两大业务表现抢眼 森德末季业绩会更好

（吉隆坡30日讯）随着森德公司（SCIENTX，4731，主板工业股）的塑料包装业务和产业发展业务在2015财政年均有不俗的表现，分析员看好该公司第4季将取得更亮丽的业绩表现。



令吉走弱影响不大

財經 SinChewBusiness 投資者的指南

油價低 美元強 森德全年向好

首季净利3027万

Profile of The Board of Directors

Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim

Chairman and Independent Non-Executive Director

Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim, a Malaysian, aged 76, is an Independent Non-Executive Director and Chairman of the Company. He was appointed to the Board as Non-Executive Chairman on 20 June 2003. He is also the Chairman of the Board's Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee.

Tan Sri Dato' Mohd Sheriff graduated with a Bachelor of Arts (Honours) Economics degree from University of Malaya in 1963 and a Diploma in Economic Development from Oxford University, United Kingdom in 1969. He graduated with a Master of Arts in Economics from Vanderbilt University, USA in 1974.

He served as the Secretary General of Treasury, Ministry of Finance for 3 years from 1991 to 1994 and as Managing Director of Khazanah Nasional Berhad for 9 years from 1994 to 2003. He was a former Director of United Engineers (Malaysia) Berhad, RHB Bank Berhad and former Chairman of Renong Berhad, Projek Penyelenggaraan Lebuhraya Berhad, PLUS Expressways Berhad, Malaysian Institute of Economic Research and Manulife Holdings Berhad. He is the President of the Malaysian Economic Association.

He also sits on the Board of PLUS Malaysia Berhad, Standard Chartered Bank Malaysia Berhad and Standard Chartered Saadiq Berhad as Non-Executive Director and Chairman; and Yayasan UEM as Non-Executive Director. He is also a non-executive Chairman of Warisan Pinang Sdn Bhd, a property development company.

He does not have any family relationship with any Director and/or major shareholder of Scientex Berhad and has no conflict of interest with the Company. He has not been convicted for any offences within the past 10 years.

Lim Peng Jin

Managing Director

Lim Peng Jin, a Malaysian, aged 48, is currently the Managing Director of the Company. He was appointed to the Board on 20 January 1995 as the Group Executive Director and was re-designated as Managing Director on 6 November 2001. He is also a member of the Board's Remuneration Committee and Risk Management Committee.

Lim Peng Jin graduated with a Bachelor of Science (Honours) in Chemical Engineering from the University of Tokyo, Japan in 1990. He began his career in the chemical industry in Japan before joining the Company in 1991. He had also completed a course in Programme Management Development at Harvard University, USA in 1998. He has local and international working experience in the field of polymer and chemicals during the early years of his career and is very hands-on in the business of Scientex Group of Companies involving packaging, property, polymer and chemicals industries for the past 20 years. The success of the Group owes much to his extensive involvement in its operations and management.

He is the youngest son of Lim Teck Meng, a major shareholder of Scientex Berhad and the brother of Lim Peng Cheong, who is also a Director and major shareholder of Scientex Berhad. He has no conflict of interest with the Company and has not been convicted for any offences within the past 10 years.

Profile of The Board of Directors

Lim Peng Cheong

Non-Independent Non-Executive Director

Lim Peng Cheong, a Malaysian, aged 53, is a Non-Independent Non-Executive Director of the Company. He was appointed to the Board as an Executive Director on 9 September 1988, and has held this position until 10 November 2003 when he was re-designated as Non-Executive Director. He graduated with a Bachelor of Science (Honours) in Business Studies from the City University, London, UK in June 1984. He is currently the Managing Director of Malacca Securities Sdn Bhd.

He is the son of Lim Teck Meng, a major shareholder of Scientex Berhad and the brother of Lim Peng Jin, who is also a Director and major shareholder of Scientex Berhad. He has no conflict of interest with the Company and has not been convicted for any offences within the past 10 years.

Cham Chean Fong @ Sian Chean Fong

Independent Non-Executive Director

Cham Chean Fong @ Sian Chean Fong, a Malaysian, aged 48, is an Independent Non-Executive Director of the Company. He was appointed to the Board on 24 May 2001 as a Non-Executive Director. He is also a member of the Board's Audit Committee, Nomination Committee and Remuneration Committee. He graduated with a LLB (Honours) from Bristol Polytechnic, U.K. in 1991 and obtained a Certificate of Legal Practice in 1993. He was called to Bar in September 1995 and since then, he has been in private practice. Currently, he is a partner of a law firm in Kuala Lumpur.

He does not have any family relationship with any Director and/or major shareholder of Scientex Berhad and has no conflict of interest with the Company. He has not been convicted for any offences within the past 10 years.

Profile of The Board of Directors

Teow Her Kok @ Chang Choo Chau

Independent Non-Executive Director

Teow Her Kok @ Chang Choo Chau, a Malaysian, aged 76, is an Independent Non-Executive Director of the Company. He was appointed to the Board on 19 December 2007. He is also a member of the Board's Risk Management Committee. He had his early education at the Royal Military College and gained his Diploma in Estate Management in the early sixties.

He was appointed as an Executive Director of the Yule Catto Plantations in 1976 after returning from a Financial/Management course at London Business School. He was the Managing Director of Revertex Malaysia Sdn Bhd ("Revertex"), a subsidiary of a British company, Yule Catto & Co. PLC, from 1990 to 2000. During that period, he was also the Managing Director of Rexplas Sdn Bhd, a joint venture company between Exxon and Revertex. He was on the Boards of Revertex Fincwater Sdn Bhd and Revertex (Guangdong) Chemicals Co. Ltd. Currently, he sits on the Board of Chemical Mate Sdn Bhd, a consultancy and trading/distribution company with affiliation to manufacturing of Specialty Esters.

He was conferred the "Amanah Mangku Negara" (A.M.N) by His Majesty Yang Dipertuan Agung in 1990.

He does not have any family relationship with any Director and/or major shareholder of Scientex Berhad and has no conflict of interest with the Company. He has not been convicted for any offences within the past 10 years.

Ang Kim Swee

Independent Non-Executive Director

Ang Kim Swee, a Malaysian, aged 57, is an Independent Non-Executive Director. He was appointed to the Board on 17 December 2014. He is also a member of the Board's Audit Committee.

Ang Kim Swee graduated with Diploma in Accounting and Costing LCCI Higher. He is a Registered Financial Planner and a Chartered Financial Consultant registered with The Malaysian Insurance Institute. He is also an Audit Committee Member of The Institute of Internal Auditors Malaysia. He has more than 30 years of working experience in various capacities including senior management roles in the areas of finance, costing, information technology systems and administration. Presently, he is the Assistant General Manager (Finance) of Meditop Corporation (M) Sdn Bhd, a well established Japanese corporation with international track records in manufacturing and sales of disposable medical devices and healthcare products. He is a pioneer since 1990 and is primarily responsible for the management of financial affairs of the company.

He does not have any family relationship with any Director and/or major shareholder of Scientex Berhad and has no conflict of interest with the Company. He has not been convicted for any offences within the past 10 years.

Chairman's Statement

Dear Valued Shareholders,

It has been another record breaking year for Scientex Berhad ("Scientex").

Scientex registered record revenue and net profit amidst unprecedented combination of adverse global events and challenging domestic issues. I am proud to note that Scientex's success and achievements against such odds during the year under review can be traced to the foundation of financial and operational strength that we have steadily built over the past four decades, further enhanced by bold yet prudent strategies for growth and expansion.

As such, Scientex is confident to weather the current turmoil on both domestic and international fronts and continue generating positive results so as to ensure healthy returns for all our shareholders and other stakeholders in the years ahead.

With this, I am honoured to present to you on behalf of the Board of Directors ("the Board") the Annual Report and Audited Financial Statements of the Company and the Group for the financial year ended 31 July 2015.

Chairman's Statement

FINANCIAL RESULTS

The Group achieved record revenue of RM1.80 billion, an increase of 13.3% against RM1.59 billion registered in the previous financial year. Likewise, profit before tax grew by 18.6% to a new high of RM221.0 million against RM186.3 million the year before. Meanwhile, net profits increased by 6.6% to RM158.2 million compared with RM148.5 million in the preceding financial year. As a result, earnings per share also rose 4.9% from 67.12 sen to 70.43 sen while the Group's net assets per share recorded a year-on-year gain of 29.5% from RM3.22 to RM4.17 in the year under review.

The Group's property division yielded commendable results due to our continued focus on the affordable housing segment. On the other hand, the manufacturing division remains vigilant and responsive to the uncertainty and volatility in the global marketplace.

• Dividends

The Group had declared a single tier interim dividend of 9 sen per share, which was paid on 7 August 2015. In recognition of the outstanding results achieved in the financial year, the Board is pleased to recommend a single tier final dividend of 13 sen per share, subject to shareholders' approval at the forthcoming Annual General Meeting. The proposed aggregated dividend of 22 sen per share will amount to a total dividend payout of RM49.7 million, representing approximately 31.4% of the Group's net profit and once again highlighting Scientex's commitment to payout at least 30% net profit to our loyal shareholders.

• Manufacturing

The Group's manufacturing division recorded increased sales of RM1.29 billion for the year under review against RM1.19 billion in the preceding financial year.

Scientex remains focused to increase global market share through the use of technology and innovation to produce high-quality stretch films with competitive pricing. We continue to promote our range of thin films through introduction of the Nano6, ultra-thin gauge 6 microns stretch film to new markets such as Japan, European Union and ASEAN countries. This product is gaining acceptance in advanced markets looking for competitively-priced eco-friendly products that offer superior film performance.

For the consumer packaging business, since the last financial year, the Group has added another three new lines to build up production capacity and boost revenue. One of the new lines is the state-of-the-art 9-layer Windmoeller & Hoelscher blown film machine which is capable of producing 9-layer barrier film. With the additional lines, production capacity of blown film products increased to 48,000 metric tons during the year under review. With the increased capacity and capability, we are now well placed to promote our wide range of consumer packaging products to customers in Europe as well as new prospects in Indonesia, China, Korea, Mexico, the Socialist Republic of Vietnam and domestic markets.

The Group's consumer packaging business is also set to grow following the strategic alliance with Futamura Chemical Co., Ltd. ("Futamura"). Product sales in this segment will receive a boost when our cast polypropylene ("CPP") and bi-axially oriented polypropylene ("BOPP") plants become operational in December 2015 and mid-2016 respectively. CPP and BOPP films are both essential components in the production of consumer packaging products.

Meanwhile, demand for the Group's other industrial packaging products such as PP strapping bands, raffia, woven bags and FIBC bags has grown incrementally whereas demand for our polymer products has remained relatively stable. The solar industry continues to face intense competition and weak demand. The Group continues to seek ways to improve its operational efficiency as we strive to remain competitive in the market.

• Property Development

The Group's affordably-priced products continue to attract buyers from among middle-income earners despite the tightening of loan conditions imposed by financial institutions coupled with the re-introduction of real property gains taxes and the abolition of developers' interest bearing schemes.

In particular, there was strong demand for our property products in Johor and Melaka, leading to record revenue of RM515.7 million against RM398.3 million achieved in the previous financial year. This validates the Group's strategic shift to focus on the affordable home market segment, as borne out by the resilient response to launches in the Johor townships of Pasir Gudang, Kulai and Senai. Indeed, our strategy resonates with the State Government's Rumah Mampu Milik Johor ("RMMJ") initiative.

The Group is confident of sustained demand for affordable homes as the domestic economy is underpinned by strong fundamentals characterised by high employment, rising income levels and supported by a resilient financial infrastructure.

Chairman's Statement

CORPORATE DEVELOPMENTS

In September 2014, the Group's wholly-owned subsidiary Scientex Packaging Film Sdn Bhd ("SPFSB") entered into a share sale agreement with Futamura for the issuance and sale of 5,000,000 new ordinary shares of RM1.00 each, representing 5% shareholding in Scientex Great Wall Sdn Bhd ("SGW"), for a total cash consideration of RM40.0 million. The transaction was completed on 2 October 2014. Subsequently, on 23 July 2015, the Group entered into another share sale agreement with Futamura to sell 5,000,000 ordinary shares in SGW, another 5% stake of SGW for RM40.0 million. This transaction was completed on 29 July 2015 with Futamura now holding 10% equity in SGW with the remaining 90% equity held by SPFSB. The investment by Futamura reflects its confidence in the Group's prominent standing within the global consumer packaging industry.

On 5 August 2015, SPFSB entered into a share purchase agreement with Mondi Consumer Packaging International GmbH to acquire the entire 21,045,316 ordinary shares of RM1.00 each in Mondi Ipoh Sdn Bhd (now known as Scientex Great Wall (Ipoh) Sdn Bhd) ("SGWI") for a total cash consideration of RM58.0 million. The transaction was completed on 11 August 2015 and accordingly, SGWI became a wholly-owned subsidiary of SPFSB. SGWI manufactures hygiene products packaging, bakery bags and form-fill-seal bags with an international clientele base. The acquisition is expected to generate synergistic benefits to the Group from the increased production capacity and the larger customer base, both locally and in the region.

On 29 June 2015, the Group, through its wholly-owned subsidiary, Scientex Quatari Sdn Bhd, entered into two conditional sale and purchase agreements with vendors, Bukit Gambir Company Sdn Bhd and Jayaplus Bakti Sdn Bhd, for the proposed acquisition of lands measuring approximately 326.06 acres in Pulai, Johor for RM218.97 million. Shareholders' approval was obtained during the extraordinary general meeting held on 29 September 2015. The acquisition would enlarge the Group's landbank in Johor and is poised to provide earnings visibility for our property division in the years to come.

Pursuant to the share grant plan ("SGP") approved by the shareholders of the Company in December 2013, the Company granted and vested 357,000 new ordinary shares to the eligible employees of the Group in November 2014. This SGP is designed to motivate key management and employees towards the attainment of long-term success and growth of the Group as well as shareholders' value enhancement. The second batch allocation of the SGP will be granted in November 2015 to 69 employees. Total shares granted amounted to 472,000 shares, ranging from 4,000 shares to 24,000 shares per employee.

During the financial year, apart from the repurchased of 200 ordinary shares of RM0.50 each, the Company sold 4,347,000 treasury shares at an average price of RM7.09 each for a total consideration of approximately RM30.8 million. The average acquisition cost of the treasury shares was RM1.46 per share and the sale resulted in an increase of approximately RM24.5 million in share premium. On 29 June 2015, the Company has also cancelled 357,000 treasury shares.

For the financial year under review, the Group has carried out a revaluation exercise by professional independent valuer, on lands and buildings classified as property, plant and equipment. The revaluation resulted in a net increase of RM36.4 million in the property revaluation surplus. Revaluation was also carried out on investment properties, giving rise to RM12.6 million recognised in profit or loss.

I am delighted to announce that the Group has been selected by Forbes Asia as one of the 200 leading public companies in the Asia Pacific region under its "Best Under A Billion" category which has shown consistent growth based on measured performance metrics. This achievement, announced by Forbes Asia in June 2015, is the first time the Group has scored a major recognition by an international business publication and it underscores the progress and advancement made by the Group in the past few years which has witnessed tremendous growth and expansion. The Group hope that this accolade would be the first of many more accolades that would be forthcoming in the years to come.

ECONOMIC OUTLOOK & PROSPECTS

The global economy is projected to grow by between 2.8% and 3.3% in 2015, and 3.2% and 3.8% in 2016 according to the World Bank and International Monetary Fund respectively. While this may point to a sustained global economic recovery, both institutions have cautioned of risks ahead. One such risk is the capital flight from developing markets as investors seek refuge in the United States Dollar ("USD") and the comparatively safe Japanese Yen to escape the volatility among emerging market currencies as the expectation of a rate hike by The Federal Reserve plays out in the global currency markets.

The rapid devaluation of the Ringgit against other trading currencies has been a boon for exporters who earn USD receipts but a bane for importers who have to pay more for the same product in Ringgit terms. In turn, this has driven up production and transaction costs. As approximately 70% of the Group's manufacturing products are exported, the rise of the USD is expected to have a positive impact on the Group's manufacturing revenue.

On the other hand, the see-saw price of crude oil has led to fluctuating costs in the Group's manufacture of plastic film products. Resin, a major cost component, is a by-product of crude oil and its price share a direct correlation with the movement of crude oil prices. Beyond the cost factor however, the volatility of crude oil prices has affected demand as customers adopt a wait-and-see attitude before committing to more purchases.

In terms of specific economies, the US, Eurozone and Japan economies – the latter being a key market for the Group - appear to be on the uptrend in contrast to China, where growth is expected to ease, albeit at a comparatively healthy 7.1% in 2015 and 6.9% in 2016. Asia Pacific remains a focus for the Group as economies in this region continue to grow, albeit at a slower pace. The Group will sustain efforts to explore and maintain its market share in existing markets while exploring new ones as it aggressively rolls out its products to the world markets. The Group has already made inroads to new markets in South Asia.

Closer to home, the Group has taken steps to expand into the huge Indonesian and Thailand markets for our products. The impending implementation of the ASEAN Economic Community, with the potential of free flow of trade and services within the region, is also expected to boost demand for the Group's products.

As the Group navigates the challenging and volatile global scenario, pro-active steps have been taken to mitigate such attendant risks. While identifying potential areas of opportunities for expansion, we remain vigilant of the operational risks involved such as resin price volatility and currency fluctuations which could impact profitability.

The Group's property division is expected to maintain its performance for the coming year by leveraging on the resilient demand for affordable homes to mitigate against slackening demand for our higher-end products. The successful maiden launch of the RMMJ scheme in Pasir Gudang by the Menteri Besar of Johor in May 2015 has given confidence to the Group to maintain course for this coming financial year. With the implementation of the GST, the Group strive to negate such costs through better planning and more efficient utilisation of land area so as to promote greater efficiency and reduce wastage as part of efforts to improve productivity and maintain margins without compromising on quality.

OUR GROWTH STRATEGIES

Despite domestic issues and external volatilities, the Group has performed creditably. The continuing expansion plans put in place for both our manufacturing and property operations have started to bear fruit and is expected to contribute robust growth in the near future as the world economy rebounds. The Group has taken pro-active steps to boost its manufacturing capacity and capability through both organic growth and through merger and acquisitions as it continues to expand and offer a more diversified portfolio of industrial and consumer packaging products to the marketplace. The Group is also seeking to replenish and expand its existing landbank with the purchase of strategically-located plots to sustain the growth of its property development business.

The Group remains committed and focused on manufacturing and property development as its platform of growth and expansion in the foreseeable future.

Since last year, we have implemented a series of factory maintenance and improvements in our Pulau Indah stretch film facility through the introduction of 5S Kaisen projects, designed to achieve better overall operational efficiency and cost efficacy and these activities has yielded positive results to enable the Group to become more competitive in the global market.

For the consumer packaging business, our blown film manufacturing is currently adding three more new lines to augment the present annual capacity of 48,000 metric tonnes. With the addition of these new lines by mid-2016, it will expand the blown film annual capacity by an additional 12,000 metric tonnes per annum.

The Group's expansion plan for its BOPP film and CPP film plants is on track for completion. Upon completion, the BOPP film annual production output will increase from 6,000 metric tons to 60,000 metric tons. The CPP films are also expected to generate an annual production output of 12,000 metric tons. With the technical and marketing expertise of Futamura, the Group is confident it would be able to expand its markets for both its existing consumer packaging products as well as the additional products to be rolled out from the CPP and BOPP plants.

In August 2015, the Group completed its acquisition of SGWI. The acquisition of SGWI has boosted the capacity and enhanced the product portfolio of the consumer packaging segment. With a strong and reputable customer base, the Group is confident it is able to leverage on the resources and capacity of SGWI to further expand and build upon its existing customer base as the Group offers a well-diversified range of products in its portfolio.

Earnings and profits derived from the Group's property division remain a significant contributor to the Group's performance for this financial year. The Group's current main focus is on the affordable homes segment and the Group will continue to leverage on this proven business model as it seeks to find ways to maintain its revenue growth for this coming financial year. The Group will continue to innovate and offer well designed products to meet the challenging demands of a diverse range of buyers ranging from commercial to high end luxury homes as well as affordable homes. With the successful launch of the maiden RMMJ scheme in Pasir Gudang, the Group will work closely with the Johor State Government to identify suitable locations to promote more of such affordable housing which is highly in demand. The Group remains focused on delivering such affordable homes which is not affected by the slowdown in the Johor property market.

ACKNOWLEDGEMENT

The Board would like to congratulate the entire management team which has performed beyond expectations and capped another record breaking year for the Group. The leadership by the Managing Director and his management team in guiding the Group to achieve outstanding results through such trying times is a praiseworthy effort. The implementation of the SGP to key management executives has produced results and the Board is confident that the Group will continue to be in good hands moving forward.

I would also like to express my gratitude to fellow Board members for their cooperation and guidance at the Board level. It is with a tinge of sadness that the Board bade farewell to our founder and Executive Deputy Chairman, Mr Lim Teck Meng, who has retired after having an established succession plan. Mr Lim has been the driving force behind the Scientex brand since its inception. He has certainly left a strong and solid foundation upon which the existing Management, ably led by his son Mr Lim Peng Jin, can build upon. The Board is also sad to see the departure of Mr Wong Mook Weng @ Wong Tsap Loy who has served the Company as a Board member with distinction. The Board would like to take this opportunity to thank both Mr Lim Teck Meng and Mr Wong Mook Weng @ Wong Tsap Loy for their lifelong service and dedication, and would like to wish them a happy retirement. The Board would also like to extend a warm welcome to our new member, Mr Ang Kim Swee who has been appointed as an Independent Non-Executive Director of the Board. Mr Ang is trained as an accountant and brings along with him more than 20 years of experience in the field of finance. Apart from being a Board member, Mr Ang serves as a member of the Board's Audit Committee and the Board looks forward to work closely with him during his tenure.

Last but not least, I am grateful to our shareholders, valued customers, bankers and business partners for your continuous confidence and support as the Group strives to achieve greater and sustainable growth.

Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim
Chairman

Penyata Pengerusi

Para Pemegang Saham yang dihormati,

Tahun ini merupakan satu lagi tahun yang membanggakan bagi Scientex Berhad ("Scientex").

Scientex mencatatkan hasil pendapatan dan keuntungan bersih tertinggi, meskipun terdapat kombinasi peristiwa buruk global yang tidak pernah berlaku sebelum ini dan isu domestik yang mencabar. Saya dengan bangga menyatakan bahawa kejayaan dan pencapaian Scientex mengatasi kesukaran tersebut dalam tahun kajian adalah disebabkan oleh asas kekuatan kewangan dan operasi yang telah kami bina secara berterusan sejak empat dekad yang lalu, dipertingkat lagi dengan strategi pertumbuhan dan pengembangan yang berani lagi berhemat.

Sehubungan itu, Scientex yakin dapat menempuh pergolakan yang sedang berlaku pada peringkat domestik dan antarabangsa, serta terus menjana hasil yang positif bagi memastikan pulangan yang sihat untuk semua pemegang saham kami dan pihak berkepentingan yang lain pada masa depan.

Dengan ini, saya, bagi pihak Lembaga Pengarah, berbesar hati membentangkan Laporan Tahunan dan Penyata Kewangan Teraudit Syarikat dan Kumpulan bagi tahun kewangan berakhir 31 Julai 2015.

PENYATA KEWANGAN

Kumpulan memperoleh hasil pendapatan tertinggi sebanyak RM1.80 bilion, iaitu peningkatan sebanyak 13.3% berbanding RM1.59 bilion yang dicatatkan pada tahun kewangan sebelumnya. Begitu juga, keuntungan sebelum cukai meningkat sebanyak 18.6% kepada paras tertinggi baharu sebanyak RM221.0 juta berbanding RM186.3 juta pada tahun sebelumnya. Sementara itu, keuntungan bersih meningkat sebanyak 6.6% kepada RM158.2 juta berbanding RM148.5 juta pada tahun kewangan sebelumnya. Hasilnya, pendapatan sesaham juga meningkat sebanyak 4.9% daripada 67.12 sen kepada 70.43 sen, manakala aset bersih sesaham Kumpulan mencatatkan peningkatan sebanyak 29.5% berbanding tahun sebelumnya, daripada RM3.22 kepada RM4.17 dalam tahun kajian.

Bahagian hartanah Kumpulan memperoleh hasil yang terpuji disebabkan tumpuan berterusan kami pada segmen perumahan mampu milik. Sebaliknya, bahagian perkilangan terus berwaspada dan responsif terhadap ketidakpastian dan ketakstabilan dalam pasaran global.

• Dividen

Kumpulan telah mengisytiharkan dividen interim satu peringkat sebanyak 9 sen sesaham, yang dibayar pada 7 Ogos 2015. Sebagai penghargaan terhadap hasil cemerlang yang dicapai dalam tahun kewangan, Lembaga Pengarah dengan sukacitanya mencadangkan dividen akhir satu peringkat sebanyak 13 sen sesaham, tertakluk pada kelulusan oleh para pemegang saham di Mesyuarat Agung Tahunan yang akan datang. Dividen agregat yang dicadangkan, iaitu sebanyak 22 sen sesaham akan menghasilkan jumlah bayaran dividen sebanyak RM49.7 juta, mewakili kira-kira 31.4% daripada keuntungan bersih Kumpulan dan sekali lagi menekankan komitmen Scientex untuk membayar sekurang-kurangnya 30% daripada keuntungan bersih kepada pemegang saham kami yang setia.

• Perkilangan

Bahagian perkilangan Kumpulan mencatatkan peningkatan jualan sebanyak RM1.29 bilion dalam tahun kajian berbanding RM1.19 bilion pada tahun kewangan sebelumnya.

Scientex terus memberikan tumpuan pada usaha meningkatkan bahagian pasarannya pada peringkat global menerusi penggunaan teknologi dan inovasi untuk menghasilkan saput regang berkualiti tinggi pada harga yang kompetitif. Kami terus mempromosikan rangkaian saput nipis kami menerusi pengenalan Nano6, iaitu saput regang yang sangat nipis yang berukuran 6 mikron kepada pasaran baharu seperti Jepun, Kesatuan Eropah, dan negara-negara ASEAN. Produk ini semakin diterima di pasaran maju yang mencari produk mesra alam pada harga yang kompetitif yang menawarkan prestasi saput yang unggul.

Bagi perniagaan pembungkusan pengguna, sejak tahun kewangan yang lepas, Kumpulan telah menambah tiga lagi barisan pengeluaran baharu untuk meningkatkan kapasiti pengeluaran dan hasil pendapatan. Salah satu barisan pengeluaran baharu ini ialah mesin saput mengelembung Windmoeller & Hoelscher yang canggih dan mampu menghasilkan 9 lapisan saput penghalang. Dengan barisan pengeluaran tambahan, kapasiti pengeluaran produk saput mengelembung meningkat kepada 48,000 tan metrik dalam tahun kajian. Dengan meningkatnya kapasiti dan keupayaan ini, kami kini berada pada kedudukan yang baik untuk mempromosikan produk pembungkusan pengguna kami yang pelbagai kepada pelanggan di Eropah serta prospek baharu di Indonesia, China, Korea, Mexico, Republik Sosialis Vietnam dan pasaran domestik.

Penyata Pengerusi

Perniagaan pembungkusan pengguna Kumpulan juga bersedia untuk berkembang berikutan pakatan strategik dengan Futamura Chemical Co., Ltd. ("Futamura"). Jualan produk dalam segmen ini dijangka akan meningkat apabila loji polipropilena tuangan ("CPP") dan polipropilena terorientasi secara dwipaksi ("BOPP") kami mula beroperasi masing-masing pada Disember 2015 dan pertengahan 2016. Kedua-dua saput CPP dan BOPP merupakan komponen penting dalam pengeluaran produk pembungkusan pengguna.

Sementara itu, permintaan terhadap produk pembungkusan industri Kumpulan yang lain seperti pita pengikat PP, rafia, beg anyaman dan beg FIBC telah meningkat, manakala permintaan terhadap produk polimer kami kekal stabil. Industri solar terus menghadapi persaingan sengit dan permintaan yang lemah. Kumpulan terus mencari jalan untuk meningkatkan kecekapan pengendalian dalam usaha kami untuk kekal berdaya saing dalam pasaran.

• Pembangunan Hartanah

Produk Kumpulan yang dijual pada harga mampu milik terus menarik minat para pembeli daripada kalangan golongan berpendapatan sederhana, walaupun syarat pinjaman yang dikenakan oleh institusi kewangan telah diperketat, cukai keuntungan harta tanah telah diperkenalkan semula dan skim berfaedah pemaju telah dimansuhkan.

Produk hartanah kami mendapat permintaan yang kukuh, khususnya di Johor dan Melaka, yang membawa kepada hasil pendapatan sebanyak RM515.7 juta, yang tertinggi pernah dicatatkan, berbanding RM398.3 juta yang diperoleh pada tahun kewangan sebelumnya. Ini mengesahkan peralihan strategik Kumpulan untuk memberikan tumpuan pada segmen pasaran rumah mampu milik, seperti yang ditunjukkan oleh sambutan yang berdaya tahan terhadap pelancaran di bandar-bandar di Johor seperti Pasir Gudang, Kulai dan Senai. Sememangnya, strategi kami adalah sejajar dengan inisiatif Rumah Mampu Milik Johor ("RMMJ") oleh Kerajaan Negeri.

Kumpulan yakin bahawa terdapat permintaan yang berterusan bagi rumah mampu milik memandangkan ekonomi domestik disokong oleh asas yang kukuh yang dicirikan oleh kadar pengangguran yang rendah dan tahap pendapatan yang semakin meningkat, serta infrastruktur kewangan yang berdaya tahan.

PERKEMBANGAN KORPORAT

Pada September 2014, anak syarikat milik penuh Kumpulan, iaitu Scientex Packaging Film Sdn Bhd ("SPFSB") menandatangani perjanjian jual saham dengan Futamura bagi terbitan dan penjualan 5,000,000 saham biasa baharu pada harga RM1.00 sesaham, mewakili pegangan saham sebanyak 5% dalam Scientex Great Wall Sdn Bhd ("SGW"), dengan jumlah nilai jualan sebanyak RM40.0 juta secara tunai. Urus niaga tersebut disempurnakan pada 2 Oktober 2014. Selepas itu, pada 23 Julai 2015, Kumpulan menandatangani satu lagi perjanjian jual saham dengan Futamura bagi menjual 5,000,000 saham biasa dalam SGW untuk RM40.0 juta, mewakili kepentingan sebanyak 5% lagi dalam SGW. Urus niaga ini disempurnakan pada 29 Julai 2015, dengan Futamura kini memegang ekuiti sebanyak 10% dalam SGW dan baki ekuiti sebanyak 90% dipegang oleh SPFSB. Pelaburan oleh Futamura mencerminkan keyakinannya terhadap kedudukan ulung Kumpulan dalam industri pembungkusan pengguna global.

Pada 5 Ogos 2015, SPFSB menandatangani perjanjian beli saham dengan Mondi Consumer Packaging International GmbH bagi memperoleh kesemua 21,045,316 saham biasa pada harga RM1.00 sesaham dalam Mondi Ipoh Sdn Bhd (kini dikenali sebagai Scientex Great Wall (Ipoh) Sdn Bhd) ("SGWI") dengan jumlah nilai belian sebanyak RM58.0 juta secara tunai. Urus niaga tersebut disempurnakan pada 11 Ogos 2015 dan dengan demikian, SGWI menjadi anak syarikat milik penuh SPFSB. SGWI mengilang bungkusan produk kebersihan, beg roti dan beg bentuk, isi dan kedap (form-fill-seal bags), dan mempunyai pangkalan pelanggan antarabangsa. Pengambilalihan ini dijangka memberikan manfaat bersinergi bagi Kumpulan disebabkan kapasiti pengeluaran yang meningkat dan pangkalan pelanggan yang lebih besar, di Malaysia dan di rantau ini.

Pada 29 Jun 2015, Kumpulan, menerusi anak syarikat milik penuhnya, Scientex Quatari Sdn Bhd, menandatangani dua perjanjian jual beli bersyarat dengan vendor, Bukit Gambir Company Sdn Bhd dan Jayaplus Bakti Sdn Bhd, bagi cadangan pemerolehan tanah dengan keluasan kira-kira 326.06 ekar di Pulai, Johor untuk RM218.97 juta. Kelulusan para pemegang saham diperoleh semasa mesyuarat agung luar biasa yang diadakan pada 29 September 2015. Pemerolehan ini akan memperluas bank tanah Kumpulan di Johor dan menjana pendapatan bagi bahagian hartanah kami pada tahun-tahun akan datang.

Selaras dengan pelan geran saham ("SGP") yang diluluskan oleh para pemegang saham Syarikat pada Disember 2013, Syarikat memberikan dan meletakkan hak pemunyaan 357,000 saham biasa baharu kepada pekerja Kumpulan yang layak pada November 2014. SGP ini bertujuan memotivasikan eksekutif pengurusan penting dan pekerja ke arah pencapaian kejayaan dan pertumbuhan jangka panjang Kumpulan serta peningkatan nilai pemegang saham. Peruntukan kelompok kedua SGP akan diberikan kepada 69 pekerja pada November 2015. Jumlah saham yang diperuntukan adalah sebanyak 472,000 saham, dengan julat antara 4,000 saham hingga 24,000 saham bagi setiap pekerja.

Dalam tahun kewangan semasa, selain pembelian semula 200 saham biasa pada harga RM0.50 sesaham, Syarikat menjual 4,347,000 saham perbendaharaan pada harga purata RM7.09 sesaham dengan jumlah nilai jualan kira-kira RM30.8 juta. Kos purata pemerolehan saham perbendaharaan ialah RM1.46 sesaham dan jualan tersebut menyebabkan peningkatan sebanyak kira-kira RM24.5 juta dalam premium saham. Pada 29 Jun 2015, Syarikat juga membatalkan 357,000 saham perbendaharaan.

Dalam tahun kewangan kajian, Kumpulan telah membuat penilaian semula oleh penilai profesional bebas terhadap tanah dan bangunan yang dikelaskan sebagai hartanah, loji dan kelengkapan. Penilaian semula tersebut menyebabkan peningkatan bersih sebanyak RM36.4 juta dalam lebihan penilaian semula hartanah. Penilaian semula juga dibuat terhadap hartanah pelaburan, menyebabkan peningkatan sebanyak RM12.6 juta diiktiraf dalam akaun untung rugi.

Saya dengan sukacitanya ingin mengumumkan bahawa Kumpulan telah dipilih oleh Forbes Asia sebagai salah satu daripada 200 syarikat awam terkemuka di rantau Asia Pasifik di bawah kategori “Best Under a Billion” kerana menunjukkan perkembangan yang konsisten berdasarkan ukuran metrik prestasi. Pencapaian ini yang diumumkan oleh Forbes Asia pada Jun 2015, merupakan kali pertama Kumpulan mendapat pengiktirafan besar daripada penerbitan perniagaan antarabangsa dan ia menekankan kemajuan yang dicapai oleh Kumpulan sejak beberapa tahun yang lepas, yang menyaksikan perkembangan dan perluasan yang amat mengagumkan. Kumpulan berharap anugerah ini akan menjadi permulaan bagi pelbagai anugerah lain yang bakal diterima pada tahun-tahun akan datang.

TINJAUAN EKONOMI & PROSPEK

Menurut Bank Dunia dan Tabung Kewangan Antarabangsa, ekonomi global dijangka mengalami unjuran pertumbuhan sebanyak antara 2.8% hingga 3.3% pada 2015 dan 3.2% hingga 3.8% pada 2016. Walaupun ini mungkin menunjukkan pemulihan ekonomi global yang berterusan, kedua-dua institusi ini memberi amaran tentang risiko yang akan dihadapi. Salah satu risiko tersebut ialah pemindahan modal daripada pasaran membangun memandangkan pelabur berlindung di bawah Dolar Amerika Syarikat (“USD”) dan Yen Jepun yang agak selamat bagi mengelakkan turun naik dalam kalangan mata wang pasaran baru muncul apabila terdapat jangkaan kenaikan kadar oleh Rizab Persekutuan dalam pasaran mata wang global.

Penurunan nilai Ringgit yang pesat berbanding mata wang dagangan yang lain merupakan satu rahmat bagi pengeksport yang memperoleh hasil pendapatan dalam USD, tetapi adalah penderitaan bagi pengimport yang terpaksa membayar lebih untuk produk yang sama dari segi Ringgit. Hal ini mengakibatkan kenaikan kos pengeluaran dan urus niaga. Memandangkan kira-kira 70% daripada produk perkilangan Kumpulan dieksport, kenaikan nilai USD dijangka akan memberikan impak positif terhadap hasil pendapatan perkilangan Kumpulan.

Sebaliknya, harga minyak mentah yang turun naik telah mengakibatkan ketidakstabilan kos pembuatan produk saput plastik Kumpulan. Resin, komponen kos utama, merupakan hasil sampingan minyak mentah dan harganya berhubung kait secara langsung dengan pergerakan harga minyak mentah. Walau bagaimanapun, selain faktor kos, harga minyak mentah yang turun naik juga telah menjejaskan permintaan kerana pelanggan mengambil sikap tunggu dan lihat sebelum membuat lebih banyak pembelian.

Dari segi ekonomi tertentu, ekonomi Amerika Syarikat, zon Eropah dan Jepun – yang terakhir merupakan pasaran utama bagi Kumpulan – nampaknya mengalami trend menaik berbanding China, di mana pertumbuhan ekonomi dijangka akan berkurang, walaupun pada kadar yang agak sihat sebanyak 7.1% pada 2015 dan 6.9% pada 2016. Asia Pasifik kekal menjadi tumpuan Kumpulan kerana ekonomi di rantau ini terus berkembang, walaupun pada kadar yang lebih perlahan. Kumpulan akan terus berusaha untuk meneroka dan mengekalkan bahagian pasarannya dalam pasaran sedia ada, dan pada masa yang sama, meneroka pasaran baharu apabila ia memperkenalkan produknya secara agresif kepada pasaran dunia. Kumpulan telah pun berjaya menembusi pasaran baharu di Asia Selatan.

Di rantau ASEAN, Kumpulan telah mengambil langkah untuk memperluas pasaran bagi produk kami ke pasaran Indonesia dan Thailand yang besar. Komuniti Ekonomi ASEAN yang bakal diwujudkan, dengan potensi aliran bebas perdagangan dan perkhidmatan dalam rantau ini, juga dijangka akan meningkatkan permintaan terhadap produk Kumpulan.

Dalam usaha Kumpulan menangani senario global yang mencabar dan sentiasa bergolak, langkah proaktif telah diambil untuk mengurangkan risiko tersebut. Dalam mengenal pasti bidang yang berpotensi untuk dikembangkan, kami sentiasa berwaspada terhadap risiko operasi yang terlibat, seperti turun naik harga resin dan nilai mata wang yang boleh memberikan impak terhadap keuntungan.

Bahagian hartanah Kumpulan dijangka akan mengekalkan prestasinya pada tahun yang akan datang dengan memanfaatkan permintaan yang berdaya tahan terhadap rumah mampu milik bagi mengurangkan kelembapan permintaan terhadap produk kami yang lebih mewah. Kejayaan pelancaran sulung skim RMMJ di Pasir Gudang oleh Menteri Besar Johor pada Mei 2015 telah memberikan keyakinan kepada Kumpulan untuk mengekalkan haluan tersebut bagi tahun kewangan yang akan datang. Dengan perlaksanaan GST, Kumpulan berusaha untuk mengimbangi kos tersebut menerusi perancangan yang lebih baik dan penggunaan tanah yang lebih efisien bagi meningkatkan lagi kecekapan dan mengurangkan pembaziran sebagai sebahagian daripada usaha untuk meningkatkan produktiviti dan mengekalkan margin tanpa menjejaskan kualiti.

STRATEGI PERTUMBUHAN

Kumpulan telah menunjukkan prestasi yang patut dipuji meskipun wujud isu domestik dan ketidaktentuan persekitaran luar. Rancangan peluasan yang berterusan yang dilaksanakan untuk operasi perkilangan dan hartanah kami telah mula membuahkan hasil dan dijangka akan menyumbang kepada pertumbuhan yang kukuh dalam masa terdekat apabila ekonomi dunia kembali pulih. Kumpulan telah mengambil langkah proaktif untuk meningkatkan kapasiti dan keupayaan pengeluarannya menerusi pertumbuhan organik serta penggabungan dan pengambilalihan sementara ia terus berkembang dan menawarkan portfolio produk pembungkusan industri dan pengguna yang lebih pelbagai kepada pasaran. Kumpulan juga ingin menambah dan memperluas bank tanahnya yang sedia ada dengan pembelian plot yang terletak di lokasi yang strategik bagi mengekalkan pertumbuhan perniagaan pembangunan hartanahnya.

Penyata Pengerusi

Kumpulan akan terus komited dan memberikan tumpuan pada perkilangan dan pembangunan hartanah sebagai platform pertumbuhan dan pengembangannya pada masa depan.

Sejak tahun lepas, kami telah melaksanakan siri penyelenggaraan dan penambahbaikan di kilang saput regang kami di Pulau Indah menerusi pengenalan projek 5S Kaisen, yang bertujuan meningkatkan kecekapan pengendalian dan keberkesanan kos secara keseluruhan. Aktiviti ini telah memberikan hasil yang positif dan membolehkan Kumpulan menjadi lebih berdaya saing dalam pasaran global.

Bagi perniagaan pembungkusan pengguna, perkilangan saput mengelembung kami sedang menambah tiga lagi barisan pengeluaran baharu untuk meningkatkan kapasiti tahunan semasa sebanyak 48,000 tan metrik. Dengan penambahan barisan pengeluaran baharu ini menjelang pertengahan 2016, kapasiti pengeluaran saput mengelembung akan ditingkatkan lagi sebanyak 12,000 tan metrik setahun.

Rancangan perluasan Kumpulan bagi loji saput BOPP dan saput CPP sedang berjalan seperti yang dijadualkan. Apabila siap kelak, output pengeluaran tahunan saput BOPP akan meningkat daripada 6,000 tan metrik kepada 60,000 tan metrik. Saput CPP juga dijangka akan menjana output pengeluaran tahunan sebanyak 12,000 tan metrik. Dengan kepakaran teknikal dan pemasaran Futamura, Kumpulan yakin ia akan dapat meluaskan pasarannya bagi produk pembungkusan pengguna sedia ada dan juga produk tambahan yang akan dikeluarkan oleh loji CPP dan BOPP.

Pada Ogos 2015, Kumpulan menyempurnakan pengambilalihan SGWI. Pengambilalihan ini telah meningkatkan kapasiti dan menambah portfolio produk segmen pembungkusan pengguna. Dengan pangkalan pelanggan yang kukuh dan bereputasi baik, Kumpulan yakin ia dapat memanfaatkan sumber dan kapasiti SGWI untuk membesarkan dan mengembangkan lagi pangkalan pelanggan sedia ada kerana Kumpulan menawarkan pelbagai jenis produk dalam portfolionya.

Pendapatan dan keuntungan yang diperoleh daripada bahagian hartanah Kumpulan terus menjadi penyumbang penting kepada prestasi Kumpulan bagi tahun kewangan semasa. Tumpuan utama Kumpulan pada masa ini adalah pada segmen rumah mampu milik dan Kumpulan akan terus memanfaatkan model perniagaan yang telah terbukti ini sambil berusaha mencari jalan untuk mengekalkan pertumbuhan hasil pendapatan bagi tahun kewangan yang akan datang. Kumpulan akan terus berinovasi dan menawarkan produk yang direka bentuk dengan baik, daripada bangunan komersil hinggalah kepada rumah mewah atasan serta rumah mampu milik, bagi memenuhi permintaan yang mencabar daripada pelbagai jenis pembeli. Dengan kejayaan pelancaran skim RMMJ sulung di Pasir Gudang, Kumpulan akan bekerjasama rapat dengan Kerajaan Negeri Johor bagi mengenal pasti lokasi yang sesuai untuk menggalakkan lebih banyak pembinaan rumah mampu milik yang mempunyai permintaan yang tinggi. Kumpulan terus memberikan tumpuan pada usaha membina rumah mampu milik yang tidak terjejas oleh kelembapan dalam pasaran hartanah Johor.

PENGHARGAAN

Lembaga Pengarah ingin mengucapkan tahniah kepada seluruh pasukan pengurusan yang telah menunjukkan prestasi yang melebihi jangkaan dan berjaya mencapai satu lagi tahun yang membanggakan bagi Kumpulan. Kepimpinan Pengarah Urusan dan pasukan pengurusan beliau dalam membimbing Kumpulan untuk mencapai hasil cemerlang dalam tempoh yang sukar ini merupakan usaha yang patut dipuji. Perlaksanaan SGP untuk eksekutif pengurusan penting telah membuahkan hasil dan Lembaga Pengarah yakin bahawa Kumpulan akan terus berada di bawah pengurusan yang baik pada masa depan.

Saya juga ingin mengucapkan terima kasih kepada ahli Lembaga Pengarah yang lain atas kerjasama dan bimbingan mereka pada peringkat Lembaga Pengarah. Dengan berat hati, Lembaga Pengarah mengucapkan selamat tinggal kepada pengasas dan Timbalan Pengerusi Eksekutif kami, Encik Lim Teck Meng, yang bersara setelah wujudnya pelan penggantian yang mantap. Encik Lim merupakan penggerak utama di sebalik jenama Scientex sejak penubuhannya lagi. Beliau sememangnya meninggalkan asas yang kuat dan kukuh yang boleh dimanfaatkan oleh pihak pengurusan sedia ada, di bawah pimpinan anaknya, Encik Lim Peng Jin. Lembaga Pengarah juga berasa sedih atas pemergian Encik Wong Mook Weng @ Wong Tsap Loy yang telah berkhidmat dengan Syarikat sebagai ahli Lembaga Pengarah yang cemerlang. Lembaga Pengarah ingin mengambil kesempatan ini untuk mengucapkan terima kasih kepada Encik Lim Teck Meng dan Encik Wong Mook Weng @ Wong Tsap Loy atas perkhidmatan dan dedikasi sepanjang hayat mereka, dan ingin mengucapkan selamat bersara. Lembaga Pengarah juga ingin mengucapkan selamat datang kepada ahli baharu, Encik Ang Kim Swee, yang telah dilantik sebagai Pengarah Bebas Bukan Eksekutif dalam Lembaga Pengarah. Encik Ang dilatih sebagai akauntan dan membawa bersamanya lebih 20 tahun pengalaman dalam bidang kewangan. Selain menjadi ahli Lembaga Pengarah, Encik Ang juga berkhidmat sebagai ahli Jawatankuasa Audit dan Lembaga Pengarah berharap dapat bekerjasama rapat dengan beliau sepanjang tempoh perkhidmatan beliau.

Akhir sekali dan yang tidak kurang pentingnya, terima kasih kepada pemegang saham, pelanggan yang dihargai, jurubank dan rakan perniagaan atas keyakinan dan sokongan berterusan anda terhadap usaha Kumpulan mencapai pertumbuhan yang lebih pesat dan mampan.

Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim
Pengerusi

主席报告书

各位股东，

森德公司（简称森德）再度于本财政年写下新高纪录。

尽管我国面对外围不利因素和国内具挑战性课题的双重影响，森德的营业额与净盈利依然创历史新高。我非常荣幸地公布森德得以在逆境中异军突出，全赖集团这40多年来所奠下的强稳财务基础与营运实力，以及森德在扩展业务时的深谋远虑和所采取的大胆却稳当的策略。

因此，森德公司非常有信心能突破国内外负面因素的重围，逆流而上，并持续带来正面的业绩表现，确保股东以及其他股权持有者能够在未来享有稳健的投资回酬。

我谨此非常荣幸的代表董事部，为大家汇报森德公司截至2015年7月31日财政年的常年报告与已审核财务表。

业绩表现

森德公司在2015财政年的营业额刷新去年的记录，达到18亿令吉，按年成长了13.3%，去年同期是15亿9000万令吉。税前盈利也写下了2亿2100万令吉的新高纪录，比2014财政年的1亿8630万令吉高出18.6%。另外，净盈利的增长幅度则是6.6%，从去年同期的1亿4850万令吉增加至1亿5820万令吉。森德公司的每股盈利因此增长了4.9%，从上个财政年的67.12仙增加至70.43仙。每股净资产值为4令吉17仙，2014财政年则是3令吉22仙，取得了29.5%的年度成长率。

集团旗下的产业臂膀，取得卓越的业绩，主要是集团持续集中发展可负担房产市场。而制造业方面，森德则是谨慎经营，保持高度警觉，对不明朗和波动的全球市场做出适当的应对措施。

• 股息

较早前，集团宣布派发每股9仙的中期股息，有关的股息已经在2015年8月7日派发。随着本财政年的业绩表现标青，董事部建议派发13仙的终期单层股息。有关终期股息的派发还有待即将来临的常年股东大会的通过。如以建议中，每股共22仙的股息来计算，森德公司于2015财政年的股息派发总数达到4970万令吉，相等于集团约31.4%的净盈利。这项措施也再度突显森德公司致力于实践派发最低30%净盈利给忠实股东的股息政策。

• 制造业

集团的制造业务的营业额在本财政年达到12亿9000万令吉，去年同期是11亿9000万令吉。

森德公司依然专注于采用高科技与革新技术生产高质素，但价格具竞争力的拉伸膜，来增加我们的全球市场份额。森德也将通过推介纳米6之6微米超薄膜系列，继续推销旗下的薄膜到新市场。这些市场包括日本、欧盟和东盟国家。由于此产品价格具竞争力、环保兼品质高，所以在先进国家市场也备受欢迎。

至于消费品包装业务，森德公司自上个财政年开始增加三条生产线，来推高产能和营业额。其中一条新的生产线采用的是顶尖科技的Windmoeller & Hoelscher吹塑薄膜机械，它能生产9层防渗阻隔薄膜。随着生产线的增加，吹塑薄膜在2015财政年的年产量达到4万8000公吨。产能和生产力的增加允许集团在推销消费品包装系列产品到欧洲的行动上更占优势，也有利于集团进军新市场如印尼、中国、韩国、墨西哥、越南以及本地市场。

另外，集团与策略联盟伙伴，二村化学株式会社(Futamura Chemical Co., Ltd)的合作，也将带领消费品包装业务取得更高的成长。一旦流延聚丙烯薄膜(CPP)和双向拉伸聚丙烯薄膜(BOPP)的厂房分别在2015年12月与2016年年中投入生产，消费品包装产品的销售将会大幅提高。CPP和BOPP是消费品包装产品中必需的薄膜。

另一方面，集团旗下工业包装产品如捆绑带、绳索、编织袋和太空袋的需求也不断增加，而聚合物产品的需求则保持稳定。太阳能电池EVA薄膜依然面对激烈的市场竞争，需求疲软。无论如何，集团将会竭尽所能，改善营运效益，以保持我们在市场上的竞争能力。

• 产业业务

尽管金融机构在发放贷款的条件更为严谨，政府也重新征收產业盈利税和废除发展商利息承担计划(DIBS)，但是，森德的可负担房产依然获得中阶收入购屋者的青睐。

柔佛与马六甲州内的产业需求强稳带领产业业务的营业额创新高，达到5亿1570万令吉，去年同期，是3亿9830万令吉。这也验证了集团转移至可负担房产市场的策略是明智之举。巴西古当、古来和士乃的房产推介取得良好的反应也证实了这一点，与此同时，森德也响应了柔佛政府鼓吹的“居者有其屋”(RMMJ)的可负担房屋计划。

集团对可负担产业的需求可持续，深具信心。目前国内高就业率，收入增加以及金融系统依然稳当都是有利的因素。

主席报告书

企业发展

森德公司于2014年9月通过旗下全权持有的附属公司，森德包装膜私人有限公司(Scientex Packaging Film Sdn Bhd)与日本二村化学株式会社达至了股权销售协议。在这项计划下，二村化学株式会社注资4000万令吉现金购入由森德长城私人有限公司(Scientex Great Wall Sdn Bhd)发行的500万股，每股面值1令吉的新股，即相等于森德长城私人有限公司5%的股份。有关股权收购计划在2014年10月2日完成。2015年7月23日，双方再度达致股权销售协议，二村化学株式会社再度注资4000万令吉现金，购入森德长城私人有限公司现有的500万股，相等于5%的股份。随着这项交易在2015年7月29日完成后，二村化学株式会社目前共持有森德长城私人有限公司10%的股权。90%的股权由森德包装膜私人有限公司所持有。这项注资反映了二村化学株式会社对森德在全球消费品包装领域的显著市场地位深具信心。

另一方面，森德包装膜私人有限公司在2015年8月5日，与德国Mondi消费品包装国际集团(Mondi Consumer Packaging International GmbH)签署了一项股权买卖协议，以5800万令吉的现金，全权收购Mondi怡保私人有限公司（现称森德长城(怡保)私人有限公司）共2104万5316股，每股面值1令吉的普通股。有关的交易在2015年8月11日完成后，森德长城(怡保)私人有限公司成了森德包装膜私人有限公司旗下全权持有的附属公司。前者主要是生产卫生产品包装、烘培食品包装袋和成型－填装－封口包装密封袋(FFS)，市场集中在海外。集团估计能通过这项收购计划达致协同效益，增加产能之际，也扩大森德国内外的客户群。

集团在2015年6月29日通过全权持有的附属公司，Scientex Quatari Sdn Bhd 跟 Bukit Gambir Company Sdn Bhd以及Jayaplus Bakti Sdn Bhd达致了两项有条件买卖协议，献议以2亿1897万令吉购入位于柔佛州普莱约326.06英亩的土地。这项献议已经在2015年9月29日于特别股东大会获得股东们的同意。有关的收购将扩大集团在柔佛的土地储备面积，并在未来几年为集团带来显著的盈利贡献。

依据股东在2013年12月的常年大会批准的股权配给计划，公司已经在2014年11月将35万7000股股份配给符合资格的员工。这项年度股权配给奖掖计划，是激励首要管理层以及员工致力达致公司的长远发展目标和成就，与此同时也提高股东价值。第2批的股权配给将会在2015年11月，奖赏给69位员工。次轮的配给总数为47万2000股，每位雇员所获的股份介于4000股至2万4000股之间。

森德公司在本财政年回购了每股面值50仙的200股普通股。与此同时，也以平均每股7令吉9仙，总值约3080万令吉的代价出售434万7000股。有关库存股出售的平均成本是每股1令吉46仙，股本溢价估计增加约2450万令吉。另一方面，森德公司也在2015年6月29日注销了35万7000股库存股。

另一方面，森德公司通过独立专业估价员，于本财政年重新评估公司的不动产、厂房和设备并取得3640万令吉的资产重估盈余。除此之外，公司也把重估投资产业所获取的1260万令吉盈余，纳入本财政年的综合财务报表。

我也非常荣幸地公布，森德集团荣登“2015福布斯亚洲中小上市企业200强”之“10亿美元以下最佳企业”排行榜。公司业绩稳健与持续增长是衡量入榜的指标。这项由福布斯亚洲于2015年6月公布的荣誉排名，是森德集团首次获得国际商务出版社颁布的重大表彰，它也代表着集团在过去数年的跃进。森德显著的业绩成长和业务扩充就是最好的见证。集团希望这项荣衔是我们在未来获取更多荣誉的开端。

经济展望与前景

世界银行和国际货币基金组织估计全球经济在2015年与2016年将分别取得2.8%和3.3%以及3.2%和3.8%的成长率。虽然这意味着全球复苏的动力得以维持，不过，两家机构仍然对潜在的风险抱持谨慎的态度。面对美国联邦储备局升息的隐忧，发展中国家纷纷投向美元或较为稳当的日元，以避开新兴国家货币市场的波动而导致的资金外流就是当中的风险之一。

对出口商来说，马币兑外币贬值意味着他们的赚幅将会提高，然而，对进口商而言，马币贬值则是支付更多的资金，生产与交易成本都相续提升。由于森德约70%的制作业产品是以出口为导向，因此美元上扬，估计对旗下制造业的营业额带来正面的帮助。

另一方面，原油价格的起落则导致塑料膜的成本不断波动。这是因为我们的首要原料，树脂是原油提炼后的副产品，所以树脂的价格是随油价波动。除了成本问题，原油价格波动也影响产品的需求量，主要是客户在采购时，抱持观望的态度。

以个别经济体系来看，美国、欧元区以及日本，特别是集团首要的市场，日本的经济是呈现上扬的走势。中国的经济增长估计放缓，不过依然处于健康的成长率。中国估计在2015年与2016年分别取得7.1%和6.9%的经济成长。尽管亚太国家的经济成长较为缓慢，森德集团还是把焦点放在这个持续成长的区域。森德将致力于维持现有市场的市场份额并积极开发新的全球市场。现阶段，森德已经渗入东南亚的新市场。

在本区域方面，集团采取了多项措施进军商机庞大的印尼与泰国市场。即将落实的东盟经济共同体为本区域所带来的自由贸易潜在效益，估计也将推高市场对森德旗下产品的需求。

另外，森德公司已经采取了多项积极的步骤来迎战全球市场的波动与挑战，以减低风险。除了继续鉴定具备潜能的发展空间与机会，我们也将继续谨慎的管理各种极可能影响赚幅的营运风险，如树脂价格与货币的波动。

主席报告书

集团旗下的产业臂膀有望在未来几年保持良好的表现，市场对可负担房产的弹性需求估计得以缓和高档房产需求减少的影响。由柔佛州务大臣于2015年5月举行动土礼的首轮巴西古当居者有其屋计划相当成功，更加提高了集团于下个财政年继续发展可负担房产市场的信心。随着消费税的实行，集团将会通过更好的策划，更有效的善用土地面积来提高效率和减少浪费资源，并在不影响房产素质的情况下维持赚幅。

我们的成长策略

尽管面对来自国内外的种种挑战，集团的业绩表现却令人鼓舞。制造业和产业业务的扩展计划也开始带来成效。这些计划，估计在世界经济回弹之际，能为集团带来强稳的成长动力。森德公司已采取了积极的步骤，即通过提高产能以及收购计划，把更多元化的工业与消费品包装引进市场，来推高制造业的表现。另一方面，集团也将在地点适中的地段继续增购土地来扩大目前的土地储备面积，以维持产业业务的成长。

森德公司将继续把焦点锁定在制造业和产业，来推动未来几年的营业额与净盈利成长。

自去年开始，我们在英达岛拉伸膜厂房实施了一系列持续改善系统，以达到更高营运与成本效应的5S Kaizen计划。这些举措已产生绩效，得以协助集团在全球市场更具竞争力。

至于消费品包装业务，森德目前增设了三条吹塑薄膜生产线。随着这些生产线在2016年年中投入生产，吹塑薄膜现有4万8000公吨的年产量将多增1万2000公吨。

集团扩充BOPP薄膜业务并进军CPP薄膜生产业务的计划将得以如期完成。一旦厂房投入生产，BOPP薄膜产能将从年度6千公吨增加至6万公吨。CPP薄膜的年度产能估计是1万2000公吨。我们深信，通过二村化学株式会社的技术和市场经验，我们将能扩大我们原有的消费品包装市场以及BOPP薄膜与CPP薄膜的市场。

另一方面，集团也在2015年8月份完成了森德长城(怡保)私人有限公司的收购计划。这项收购不仅协助增加产能，也增加了集团旗下消费品包装系列的种类。这家公司的客户群皆是强大兼信誉良好的公司，因此，集团有信心能善用森德长城(怡保)私人有限公司的资源、产能和客户群，以更完善的消费品包装系列与市场接轨。

产业业务依然是集团本财政年度非常重要的盈利贡献者。集团目前的焦点是落在可负担房产计划，接下来的财政年也会继续善用这个奏效的商业模式来维持营业额成长。集团也将持续确保我们的产业，从商业单位到高尚住宅，甚至是可负担房产，都能够提供革新和新颖的设计，以迎合各阶层购买者的需求。随着巴西古当首阶段居者有其屋的计划获得市场的良好反应，集团也将继续与州政府合作圈定合适的地段，建设更多高需求的可负担房屋。集团将维持集中精力发展不受柔佛产业市场放缓影响的可负担房产发展计划。

感谢篇

董事部要恭贺我们的管理层，他们交出了比预期更好的成绩，并再度刷新业绩记录。尽管面对国内与外围因素的挑战，董事经理和管理层得以在具挑战的环境中，带领公司取得如此优越的成绩，是非常值得赞许的。股权配给年度奖掖计划对主要管理层的奖励也带来了非常好的成效。董事部相信，森德公司的业务将持续得到良好的管理。

我同时也感谢各位董事，感谢他们给予的合作和指导。我们对创办人兼执行副主席，林德民先生退位荣休，感到依依不舍。自森德创办以来，他一直是森德幕后的推手。他为公司奠下了非常稳健的基石，让接任和带领管理层的儿子，林炳仁先生，继续以其实力巩固和扩张森德的版图。另外，我们也对劳苦功高的董事，王木荣先生的荣休感到不舍。董事部谨此感谢林先生和王先生的终身服务和付出，并给予万二分的敬意，也祝福他们退休生活愉快。我们同时也要欢迎我们的新独立非执行董事，洪金瑞先生的加入。洪先生是一位专业会计师，在金融界拥有超过20年的经验。除了董事一职位，他也是董事部的审计委员会成员之一。我们期盼跟洪董事于他在任职期间的密切合作。

最后，我也借此机会，至诚感激我们的股东、忠诚客户、众银行与生意伙伴，感谢各造继续对森德公司充满信心。通过你们的支持，我们将能取得更大的成就和持续成长。

Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim
主席

Review of Operations
MANUFACTURING

EXPANDING CAPACITY AND CAPABILITY

We are pleased to report that the Group's manufacturing division posted another record breaking year with another new all-time record turnover of RM1.3 billion, representing an increase of approximately 7.9% compared to the turnover of RM1.2 billion achieved in the previous financial year. Operating profit achieved in the current year under review was RM76.9 million, rising 11.9% from RM68.8 million a year ago.

During the financial year, under the industrial packaging business, we continue to promote our range of thin stretch films and have made inroads for our Nano6, ultra-thin gauge 6 microns stretch film to Japan, European Union and ASEAN countries as it replaces the thicker films. Nano6 is reputed to be the world's thinnest cast stretch film, capable of producing superior performance. Through the use of technology, Management intends to bring to the global marketplace superior quality products with competitive pricing. Apart from deploying state-of-the-art machinery, Management is also focused on implementing measures in the plant, designed to improve production efficiency and quality assurance to develop and establish a Scientex brand name of quality stretch films as we strive to continue to be a global leader in stretch film manufacturing.

Our narrow PP strapping band has seen positive demand from Indonesia, Europe, Mexico and other Southeast Asia markets. Volume exports to our traditional markets remain stable. For the coming financial year, we seek to continue to widen our market base through customised products in addition to our standard products for our customers.

Our raffia and woven bag sales continue to see improvement for the year under review. Apart from increased demand for traditional raffia products, our hay baler twine has been well received by our customers in Australia, New Zealand and North America. Our woven bag demand has been encouraging with local demand being on the upside. For the coming year, Management is cautiously optimistic that barring unforeseen circumstances, demand for our raffia and woven bag products will continue to grow in our existing and new markets. With the recent acquisition of Mondi Ipoh Sdn Bhd (now known as Scientex Great Wall (Ipoh) Sdn Bhd) ("SGWI") in August 2015, the Group has further expanded its capability to manufacture form-fill-seal bags which are currently being used by our existing woven bag customers particularly in the oleochemical and the petrochemical industries.

Under the consumer packaging business, the Group offers a well-diversified range of high quality consumer packaging products including lamination base film, barrier film, wicket bag, printed film and bi-axially oriented polypropylene ("BOPP") film to the world markets. World demand remains unabated underpinned by population growth, rising incomes and lifestyle practices and the Group foresees that demand for its products is expected to remain buoyant particularly in countries in Southeast Asia.

The ongoing expansion for consumer packaging has been progressing well. In 2014, we have successfully installed 4 Windmoeller & Hoelscher lines. For the current financial year, we have further completed the installation of 3 new Windmoeller & Hoelscher lines, out of which one of them is capable of producing 9-layer barrier film. The special feature of the 9-layer barrier film is its ability to split film layers into several thin ones and this process improves barrier performance, as well as the ability for the film to be thermoformed, vacuumed and used in form-fill-seal application. With these 7 lines running at full capacity, we would have a total blown film capacity of 48,000 metric tons per annum. During the current financial year, the Group has also installed a new 10-colour printing machine. With these additions, the Group believe these new lines would increase sales in value-added products in the coming years.

During the year under review, the Group has further committed to purchase 3 more new Windmoeller & Hoelscher lines to increase its capacity from 48,000 metric tons to 60,000 metric tons per annum. These new lines is targeted to be commission by mid-2016.

Following the Group's strategic alliance with Futamura Chemical Co., Ltd. ("Futamura") of Japan, the Group is on target to expand its BOPP film's annual capacity from 6,000 metric tons at present to 60,000 metric tons upon its completion. Futamura is an established player in BOPP film manufacturing and is currently ranked as the No. 1 market leader in Japan. In February 2015, we held the ground breaking ceremony for the construction of a world class BOPP manufacturing plant. To date, the plant is already at 70% completion and is targeted to commence operations by mid-2016. Once operational, this fully automated world class plant, which is built using high-end Japanese technology and based on stringent Japanese standards, is designed to manufacture various grades of BOPP film catering for various industries including the food and beverage industry as all products are manufactured under stringent quality control and strict clean room environment. The Group is well positioned to produce food grade quality consumer packaging products to the global markets with its primary focus on the burgeoning Southeast Asia markets in the near future.

Review of Operations - Manufacturing

Installation of CPP film production line

BOPP plant in Pulau Indah

In line with the Group's plans to extend its product portfolio in flexible food packaging, the construction of the cast polypropylene ("CPP") film plant in Melaka has been completed in August 2015 and is due to roll out production by December 2015 with an annual production capacity of 12,000 metric tons of high quality 5-layer CPP film and metallised CPP film. The plant will maintain a controlled production environment producing quality CPP film catering mainly to the food and beverage industry in both the local and regional export markets.

Demand for our urethane pre-polymer adhesives had increased by approximately 15% in terms of sales tonnage due to strong demand from Indonesia which has a large and fast growing food and beverage industry. We currently command an estimated 40% market share in both Indonesia and Malaysia due to our continuous marketing efforts.

Overall, upon completion of the Group's expansion of its blown film lines, and the commencement of operations of the state-of–the-art BOPP plant and CPP plant in the coming financial year, the Group will be well placed to produce a diverse range of consumer packaging products and solutions to cater to its wide and diversified clientele base, both locally and overseas. The blown film products, BOPP products, CPP products and the urethane pre-polymer adhesives are essential components in the manufacture of consumer packaging products and the Group has, built up its manufacturing capabilities and capacity to provide an impressive array of consumer packaging related products that will enable the Group to further enhance its marketing efforts to penetrate the global consumer packaging markets.

As part of the Group's research and development efforts to improve the manufacturing capability for its consumer packaging products, we have in June 2015 set up the Scientex Film Technical Centre. The technical centre is equipped with sophisticated equipment to cater for its analytical lab, physical lab and pilot lines. This will facilitate and expedite sample analyses and sample production for evaluation. With the state-of-the-art facilities, it would enable us and our customers to innovate, jointly develop new products and accelerate production of new, innovative and custom made products to the market place.

Thus, the technical centre will enable us to work closely with all our customers to focus on new product development and quality improvements to enhance our capacity and capability in providing quality packaging solutions to our customers by improving our service and products to our existing customers and opening up new markets. Moving forward, the Group is confident that the technical centre will play a pivotal role as part of its continuous efforts to meet the exacting high standards and expectations of its customers and with the relevant ISO certifications as well as the prestigious British Retail Consortium certification secured from the United Kingdom authority, the Group is confident that it would be able to leverage on its quality assurance underscored by these certifications to promote and export our high quality consumer packaging products to the global markets which remains largely untapped.

Opening of Scientex Film Technical Centre

Review of Operations - Manufacturing

Signing ceremony for the acquisition of Mondi Ipoh Sdn Bhd

Sungai Siput plant

Chemor plant

In August 2015, the Group has successfully acquired a 100% stake in SGWI. The acquisition offers the Group a further diversification of its international clientele base and product portfolio. SGWI has two manufacturing plants in Perak, one of which manufactures hygiene products packaging and bakery bags while the other produces form-fill-seal bags. Moving forward, the Group is confident that it will be able to leverage on the combined strengths of Scientex and SGWI to expand its foothold in the global consumer packaging market.

Our polymer unit continues to experience headwinds as global operating conditions remains challenging. We have successfully penetrated into General Motors ("GM") and Ford, Thailand to supply our newly developed vinyl materials which has been customized for certain specification models. For the coming financial year, we expect to supply such materials to Ford, India as well as position ourselves as one of the global supply source for GM and Ford. We foresee sustainable demand for our polymer products for the coming financial year.

As part of our ongoing rationalisation process to divest non-core businesses, during the financial year, we have dispose of the carton business and have also commenced the procedures of dissolution of our carpet mat business in Vietnam.

The global solar market remains depressed due to a combination of excess capacity and weak demand. For the current financial year under review, our joint venture solar encapsulant film business remains profitable as we continue to improve our production yield while maintaining superior products.

Barring unforeseen circumstances, our manufacturing division is expected to sustain its performance for the coming financial year.

Review of Operations

PROPERTY

A STRONG PRESENCE IN SOUTHERN PENINSULAR OF MALAYSIA

The property division chalked up record revenue of RM515.7 million for the year under review, representing an increase of 29.5% over the RM398.3 million registered in the last financial year. This resulted in an increased operational profit of RM175.3 million for a year-on-year growth of 45.0% over the previous year's RM120.9 million.

Taman Mutiara Mas, The Garden Gallery

Taman Mutiara Mas, Skudai

Our residential project in Skudai continues to attract property investors and home owners. Sales of The Garden Residences, Tower A and B serviced apartments, have already surpassed the 90% mark. The response for the subsequent tower, known as The Garden Residences "Premier" has also been encouraging.

We launched 20 units of shop lot and within months more than 80% has been sold. We have also successfully handed over a total of 100 units of 3-storey cluster resort homes which come with 24-hour security facilities and a 2.34 acres of central garden open space, providing the residents an environment of natural living in a secured community.

Taman Mutiara Mas celebrated its 5th anniversary on 7 December 2014 with a carnival event attended by more than 1,000 visitors and filled with fun, interactive games, a treasure hunt and specially-designed activities for children, performances by Mediacorp Artist Pierre Png and Julie Tan as well as entertainment characters such as Snow White and the Seven Dwarfs, Mini Concerto, DIY Rainbow Loom Band and Bubble Funtasia. In conjunction with the celebrations, we also unveiled our new sales gallery and show houses known as The Garden Gallery. The grand and impressive sales gallery has left an indelible mark on our visitors and inspired greater confidence among our existing purchasers.

For the coming year, we are planning to launch the final block of The Garden Residences. In line with our commitment to offer a luxury lifestyle at affordable pricing, we will provide five different options ranging from 473 square feet to 931 square feet so as to accommodate different groups of house buyers.

Celebration of Taman Mutiara Mas 5th anniversary

Review of Operations - Property

Rumah Mampu Milik Johor (RMMJ) ground breaking event in Pasir Gudang

Taman Scientex Pasir Gudang

Our flagship development at Taman Scientex Pasir Gudang remains focused on providing affordable homes with four launches conducted during the financial year. In all, they offer 1,028 units of affordable double-storey terrace houses with mezzanine floors as well as landed properties under the Rumah Komuniti Johor Pakej B ("PKJB") and Rumah Mampu Milik Johor ("RMMJ") schemes, which are initiatives by the Johor State Government to boost home ownership among qualified purchasers. The schemes offer attractive and affordably-priced houses built by selected developers to address the housing demand for this segment. Under these two schemes, Scientex is developing houses priced at RM80,000 and RM150,000 as part of our commitment to support the State Government's affordable homes policy. Over the past 20 years, we strengthened our reputation and enhanced our track record by successfully building more than 10,000 homes for this development. Among the key attractions include tastefully-designed homes with practical features and layout, greenery and ample facilities and most importantly, competitive prices for all our products.

The Honourable Menteri Besar of Johor launched the PKJB and the maiden RMMJ schemes for Scientex in May this year and the response has been well received. Selection of qualified purchasers will be done by State agencies. It is noteworthy that Scientex has built up a good rapport with the State Government on the rollout of these two schemes and we hope to continue collaborating with the State Government in this area of mutual interest. The location of Taman Scientex Pasir Gudang is ideal for migrant and skilled workers, working couples and young families due to its proximity to the Pasir Gudang industrial zone and up-and-coming Refinery and Petrochemical Integrated Development (RAPID) project near Pengerang as well as other nearby industrial zones. Scientex will continue to focus on operational efficiencies to maintain our construction costs as well as to extract better returns through judicious planning and more efficient usage of land.

For the year, we successfully handed over a total of 554 completed units comprising cluster homes and double-storey terrace houses.

Going forward, Scientex Pasir Gudang will remain focused on RMMJ projects. We are currently making plans for the launch in stages of more than 600 units under the RMMJ scheme in the coming financial year.

Review of Operations - Property

E'Roca Hills Show House

Launching of E'Roca Hills

Launching of
Taman Scientex Kulai 2

Taman Scientex Kulai 1, 2

To date, Taman Scientex Kulai 1 has delivered more than 1,600 units of affordable residential homes to proud homebuyers. In 2013, we have acquired two pieces of freehold land measuring 48.4 acres in Kulai for the development of residential homes. The development is known as Taman Scientex Kulai 2 and is planned for the development of affordable to medium-high end residential properties. It is located approximately a kilometre from Kulai town and enjoys good accessibility from the North-South Highway via Kulai toll plaza.

In Taman Scientex Kulai 1, our high-end hill top resort style living project – E'Roca Hills, had an official launch of the E'Roca Hills show house in December 2014. It was an overwhelming success with an estimated 1,000 visitors having the opportunity to experience the privileged lifestyle living of our upscale luxury resort development perched on a hilltop. The event was a vibrant affair, with refreshments and performances to keep visitors entertained. Within the first eight months of its initial launch, we have already achieved more than 70% take-up for the development's first phase of 42 units of zero lot bungalows.

For the coming year, we expect to launch our first bungalow land development in E'Roca Hills, offering 32 landed units that come with three different elevation designs namely standard, step-up and step-down units. E'Roca Hills development will see 282 luxury homes built on 131 acres of hilltop.

In the current financial year, we have also successfully handed over 287 units of double-storey terrace houses to proud owners in separate batches last November 2014 and then in March 2015 for our development in Taman Scientex Kulai 1.

In Taman Scientex Kulai 2, we have launch our first development in October 2014, consists of 123 units of double-storey terrace houses. The response was very encouraging with take-up rate of 70% during the launch. To date, the take-up rate is more than 90%. Subsequently, in June 2015, we launched another phase of 133 units of double-storey terrace houses. The sales continue to be encouraging.

Meanwhile, for the coming financial year, our Cluster Homes will be the focus for Taman Scientex Kulai 2. We have commenced construction of the show house and opened for public registration of interest.

Review of Operations - Property

Launching of Taman Scientex Senai

Taman Scientex Senai

The residential segment for Taman Scientex Senai continues to enjoy very brisk sales with the first four phases which comprise of 729 units of double-storey terrace houses fully sold out.

For the current financial year, we launched 170 units of double-storey terrace houses with mezzanine floor in November 2014 and it has been fully sold out within months from its launch. Buoyed by this success, we held another launch in April 2015 for double-storey terrace houses. Then in July 2015, we launched another 180 units of double-storey terrace houses with mezzanine floor. Collectively, a total of 616 units have been offered for sale for the year under review.

Going forward, we are planning for the next RMMJ project launch in Taman Scientex Senai which will consists of 502 units of townhouses. The construction of the townhouse show house has been completed. Registration of interest has been opened to the public and has received good response.

Pulai, Johor

On 29 June 2015, the Group entered into conditional sale and purchase agreements for freehold lands covering approximately 326 acres in Pulai, Johor Bahru. The packages of land are situated near our integrated township development Taman Mutiara Mas, Skudai and various other matured residential areas. The Group is optimistic it can contribute positively towards the future development profile due to its good connectivity to the Johor Bahru City Centre and Singapore.

Signing ceremony for the acquisition of Pulai land

Review of Operations - Property

Taman Muzaffar Heights, The Heights Residence

Launching of
The Heights Residence

Taman Muzaffar Heights, Melaka

Our first high rise development in Melaka, The Heights Residence at Taman Muzaffar Heights, received very encouraging response from the first two blocks which was launched in December 2013 and February 2014.

In appreciation for the purchasers' support on the success of the two blocks launched, we had on 7 September 2014 held a carnival-themed event. Highlights of the event includes the appearance and performance by three local celebrities Dato' Lai Meng - veteran actress, Baki Zainal - 8TV host and Orange Tan - singer and TV host. Turn up rate by existing purchasers and public from all ages was overwhelming. We are honoured to be the first property developer in Melaka having such a mega event and proud to be recognised as a strong and reputable developer.

In May 2015, we opened the third tower of The Heights Residence, which consists of 160 units with an average built-up areas of 850 square feet for registration and in a span of just five months, we achieved a take-up rate of more than 90%. On all accounts, this was a creditable achievement taking into consideration the softening market sentiment. It is noteworthy that most of the buyers were purchasers from outstation. The unique selling point for the high rise development is its vantage, being situated at one of the highest points in Melaka and offering breathtaking views of the surrounding areas. To provide greater value to our purchasers, we have invested and built a walkway access to the nearby Multimedia University. This is expected to increase the demand for our high rise units due to its close proximity and its potential for value appreciation. With an established and matured neighbourhood served by excellent infrastructure and ready amenities, Taman Muzaffar Heights has grown to be a household name with a reputation for lifestyle homes and successful businesses. Valued-added features such as its security system, recreational facilities, jogging track and reflexology path with well-planned landscaping for leisure activities are some of the reasons why we continue to attract serious and repeat buyers for our properties. For the coming financial year, we will launch another tower of The Heights Residence and expect to achieve commendable sales.

On top of the new launches, we have successfully completed and handed over 95 units of double-storey link houses in November 2014 and this was followed by the handing over of keys to 56 units of 2 ½-storey terrace houses in March 2015. With the completion and handing over of these phases, Taman Muzaffar Heights is now a more matured and vibrant neighbourhood, which will further enhance the potential of this location.

Investor Relations

Cognisant of our responsibility as a public-listed entity, Scientex seeks to uphold best practices in investor relations in order to ensure the effective dissemination of timely updates on the Group's financial performance, business developments, expansion strategies and corporate exercises to shareholders.

Scientex has continued to implement a strategic investor relations (IR) programme to reach out to the domestic and international investing community. A professional IR consultancy has been engaged for this purpose.

During the year, the Group's Managing Director and key management personnel actively engaged with the media, as well as fund managers and investment analysts. These engagements were conducted via periodical briefings, analysts and investors meeting, media interviews and publications to ensure our stakeholders are kept abreast of our performance and strategic growth plans.

The Group discloses material information on a timely basis to Bursa Malaysia Securities Berhad, and also maintains an up-to-date IR portal on the Scientex corporate website. All media releases, financial results, annual reports, public announcements, and other pertinent information relating to the Group are accessible on the portal.

Corporate Responsibility Statement

Our Philanthropic Endeavours - Scientex Foundation

Scientex Berhad, through Scientex Foundation, a non-profit charitable organisation tasked with carrying out corporate social responsibility activities in the areas of healthcare and environment with the objective of creating awareness, educating and implementing social activities with the collaboration of several partners such as Majlis Kanser Nasional ("MAKNA"), University Malaya Medical Centre ("UMMC"), Alzheimer's Disease Foundation Malaysia ("ADFM"), National Cancer Society Malaysia ("NCSM"), The Cancer Advocacy Society of Malaysia ("EMPOWERED") as well as the Malaysian Plastics Manufacturers Association ("MPMA"). The activities of Scientex Foundation are mainly funded by contributions from its principal Scientex Berhad. The Foundation is a tax exempt entity and may seek contributions and donations from the public.

Scientex recognises the need to work together with various stakeholders and interest groups in an increasingly interdependent globalised world to address issues which may affect the way businesses ought to be run and operate having regards to issues which may have an impact on people, the stakeholders and the surrounding environment. Scientex Foundation is focused on specific issues pertaining to healthcare and the environment as part of its corporate responsibility initiatives.

Healthcare Objective

In the past, Scientex has been supportive of several non-governmental organisations such as MAKNA, NCSM, ADFM and EMPOWERED whose passion in their respective field of work in promoting health related awareness campaigns has truly made an impact in the lives of the common people who may have little or restricted access to healthcare. Scientex is proud that through the Foundation, it has made available pap smear tests and colorectal cancer screening to underprivileged members of society.

Environmental Objective

For the past few years, the Foundation had successfully collaborated with MPMA to carry out the 3Rs (Reduce, Reuse, Recycle) awareness programmes to schoolchildren in designated schools in the Klang Valley, Johor and Melaka. By inculcating the concept of the 3Rs to these schoolchildren, this would be in line with the policy of the Government to practice recycling as part of the efforts to protect the environment and to reduce the carbon footprint, to prevent degradation of the lands and to promote a sustainable environment through the conservation of precious resources such as water, environment and energy for future generations.

The Foundation is presently in talks with MPMA to engage the relevant governmental agencies to explore the possibility of conducting a nationwide rollout of the 3Rs awareness programme through the use of technology, internet and social media in its nationwide outreach initiative as global warming becomes more and more acute.

Our Greatest Asset - The Scientex Family

Scientex continues to invest and nurture its people who has always formed the bedrock of the Scientex family and played a pivotal role in its achievements till date. It is without doubt that the greatest asset of Scientex are - its pool of highly talented and well trained people who form the pillar of Scientex.

Human capital development and talent retention are high priorities to the Scientex Group and Management is constantly seeking ways to attract, retain and reward talents whose skills and experience are assets to the Group, irrespective of their gender, age or background. Appropriate training and development opportunities are provided to our employees to equip them with the right skills, knowledge and competencies required to succeed in their respective job functions. Apart from self-development opportunities, the Group also provide its employees with a fair and equitable remuneration scheme with fringe benefits, including the Scientex Berhad Share Grant Plan which was initiated in 2014 as part of its reward cum talent retention drive.

The Group also provides a conducive, safe and secure work environment and has put in place a comprehensive executive health screening programme to promote and generate a healthy lifestyle and a positive work attitude that is in line with Scientex's tagline "healthy, friendly & happy".

Statement On Risk Management And Internal Control

Introduction

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors ("Board") is pleased to provide a Statement on Risk Management and Internal Control which outlines the nature and scope of risk management and internal control of the Group during the financial year.

The Group's system of risk management and internal control applies principally to Scientex Berhad and its subsidiaries.

Board Responsibility

The Board acknowledges its overall responsibility to maintain a sound risk management and internal control system as well as reviewing its adequacy and effectiveness and to put in sufficient safeguards to manage the Group's risks in order to safeguard shareholders' investment and the Group's assets. However, due to the inherent limitations in any system of risk management and internal control, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives. Thus the system of internal control put in place can only provide reasonable but would not be an absolute assurance against material misstatements or loss. The significant areas covered by the Group's system of internal control are financial, organisational, operational and compliance controls.

Risk Management

The Board understands that all areas of the Group's activities involve some degree of risk and recognises that business decisions involve the taking of appropriate risks and the ultimate objective is to balance the risks involved with the potential returns to the shareholders. The Board is assisted by the Risk Management Committee and the Audit Committee in the oversight of overall risk management and internal control system of the Group as well as supported by an Executive Committee, which is chaired by the Group Managing Director and comprises senior management personnel of the Group, in implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks, and making recommendations designed to operate, control and mitigate such risks, whilst continuously monitoring and reviewing the risks and its impact on the Group's operations on a regular basis.

Internal Audit Function

The Group has an internal audit department to support the Audit Committee and the Board. The Head of Internal Audit reports to the Audit Committee on a quarterly basis. The Group's internal audit department conducts audit on the Group's operations as mandated by the Audit Committee and checks and monitors compliance with the Group's policies and procedures as well as the adequacy and effectiveness of the internal control system put in place. The internal audit department will highlight significant findings in respect of non-compliance to the Board via the Audit Committee and take follow-up actions with the management in respect of the agreed corrective actions to be implemented.

Other Key Elements of Risk Management and Internal Control

The other key elements of the Group's risk management and internal control system are as follows:-

- Since January 2009, an Executive Committee chaired by the Group Managing Director comprising heads of divisions and members of the key management of the Group was established to assist the Board and to look into daily operational matters affecting the Group to ensure that the operations are in line with the Group's overall objectives, direction and budget as well as approved policies and business strategies. The Committee also formulates operational strategies on an on-going basis to respond to rapid changes in the external business conditions and environment whilst ensuring that the Group's overall objectives and policies are adhered to. Operational issues are raised for deliberation and discussion in the Committee and adequate responses and actions would be taken thereafter. The Committee meets every month, depending on the urgency and circumstances in order to ensure that quick pro-active actions are taken to ensure that the interests of the Group are protected at all times.

- The Risk Management Committee was established on 19 June 2014. The main function of the Committee is to report to the Board and provide appropriate advice and recommendations on material risk issues and a risk management system for the timely identification, mitigation and management of such significant risk that may have a material impact on the Group. The Committee meets as and when necessary and works closely with the Executive Committee to ascertain that there are on-going monitoring processes to manage significant risks.

- The Group Managing Director conducts regular management meetings with the respective management teams of the various divisions/business units and review financial and operational reports in order to monitor the performance and profitability as well as operational issues including internal control matters and risk management of the respective business units.

- The Group has clearly defined delegation of responsibilities to the various committees of the Board and to the management including an effective organisational structure and proper authority matrix.

- The functional control framework has been documented in the Group's "Internal Control Guidelines and Procedures" which sets out the various key controls and process requirements across all functions and are updated as and when necessary in order to reflect the changing risk profiles as dictated by changes in the business environment, strategies and functional activities from time to time.

- An annual budgeting process has also been established, whereby all key operating subsidiary companies of the Group are required to prepare budgets and business plans for the coming year. For effective and meaningful monitoring and review of performance, the management has introduced the Quarterly Rolling Budget System which covers all the major divisions of the Group whereby actual monthly and quarterly performance are duly compared with budgets set. Reviews of performances are conducted monthly with major variances being addressed and remedial management actions taken, where necessary.

- The Board and management are provided with quarterly performance report that gives comprehensive information on financial performance and key business indicators for monitoring purposes.

Conclusion

During the financial year under review, the Risk Management Committee had reviewed the overall risk management and internal control system of the Group. All internal control weaknesses identified and highlighted to the Audit Committee have been and/or are being addressed. The Board has received assurance from the Managing Director and Group Financial Controller that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group. Hence, the Board is of the view that the current risk management practice and system of internal control instituted throughout the Group are sufficient to safeguard the Group's assets. Nevertheless, the Board and management maintain a continuing commitment to strengthen the Group's risk management and internal control environment and processes.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board on 2 November 2015.

Audit Committee Report

The Board of Directors ("Board") is pleased to present the report of the Audit Committee for the financial year ended 31 July 2015.

MEMBERSHIP

The members of the Audit Committee comprise the following Directors:-

CHAIRMAN

Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim
Independent Non-Executive Director

MEMBERS

Cham Chean Fong @ Sian Chean Fong
Independent Non-Executive Director

Ang Kim Swee
Independent Non-Executive Director

SUMMARY OF TERMS OF REFERENCE

Composition

i) The Audit Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three (3) members, who fulfill the requirements as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

ii) The Chairman shall be an Independent Non-Executive Director.

iii) If a member of the Audit Committee resigns, dies or for any reason ceases to be a member resulting in the number of the Committee members being reduced to below three (3), the Board shall within three (3) months of that event, appoint such number of new members to fill the vacancy.

iv) The terms of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every three (3) years.

Authority

The Audit Committee is authorised by the Board to:-

i) investigate any matter within its terms of reference;

ii) have full and unrestricted access to any information pertaining to the Company and shall have the resources it requires to perform its duties. All employees are directed to co-operate with any request made by the Audit Committee;

iii) obtain outside legal or other independent professional advice as necessary to assist the Audit Committee in fulfilling its duties;

iv) have direct communication channels with the external auditors and person(s) carrying out the internal audit function activity; and

v) convene any meeting with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Functions And Duties

The functions and duties of the Audit Committee include the following:-

i) to review the following and report the same to the Board:

a) with the external auditors, the audit plan;

b) with the external auditors, their evaluation of the system of internal controls;

c) with the external auditors, their audit report;

d) the assistance given by the employees of the Company to the external auditors;

e) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

f) the internal audit programmes, processes, the results of the internal audit programmes, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

g) the quarterly results and year-end financial statements of the Group and the Company, focusing particularly on:-

- changes in or implementation of accounting policies and practices;
- significant and unusual events;
- the going concern assumption; and
- compliance with accounting standards and other legal requirements; and

h) any related party transactions and conflict of interest situation that may arise within the Company or Group.

ii) to discuss problems and reservations arising from the final audit, and any matter the auditors may wish to discuss (in the absence of management where necessary).

iii) to consider the appointment of the external auditors, the audit fee and any questions of resignation or dismissal.

iv) to consider any other functions or duties as may be agreed to by the Audit Committee and the Board.

Meetings And Reporting Procedures

i) The Audit Committee shall meet at least four (4) times in a financial year and the Chairman may call for additional meetings when necessary.

ii) The quorum for a meeting shall consist not less than two (2) members, the majority of those present must be Independent Directors.

Audit Committee Report

iii) The Group Financial Controller, representative of the external auditors, other Board members, employees and/or external independent professional advisers may attend meetings upon the invitation of the Audit Committee.

iv) Notice of the proposed agenda for each meeting is distributed in a timely manner to the members of the Audit Committee.

v) The secretary of the Audit Committee shall keep the minutes of each meeting and circulate to the members of the Audit Committee and also to all members of the Board for notation and action, where necessary.

ATTENDANCE OF AUDIT COMMITTEE MEETINGS

The details of attendance of each member in the Audit Committee Meetings held during the financial year ended 31 July 2015 are as follows:-

Committee Members	Number of Meetings Attended / Total Number of Meetings Held	Percentage (%) of Attendance
Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim	4/5	80
Cham Chean Fong @ Sian Chean Fong	5/5	100
Ang Kim Swee *(Appointed on 17 December 2014)*	2/2	100
Wong Mook Weng @ Wong Tsap Loy *(Retired on 23 March 2015)*	3/4	75
Fok Chuan Meng *(Retired on 17 December 2014)*	2/3	67

Notes:
The meetings were held on 23 September 2014, 30 October 2014, 17 December 2014, 23 March 2015 and 29 June 2015.

ACTIVITIES UNDERTAKEN BY AUDIT COMMITTEE

The activities of the Audit Committee during the financial year ended 31 July 2015 include the following:-

i) reviewed the Group's unaudited quarterly financial results prior to submission to the Board for consideration and approval;

ii) reviewed the Group's year end audited financial statements with the external auditors and recommended the same to the Board for approval;

iii) considered the appointment of external auditors, the adequacy of the experience, competence and resources of the external auditors and the persons assigned to the audit;

iv) reviewed the independency of the external auditors and received assurance from the external auditors regarding their independence relating to their audit works;

v) discussed with the external auditors before the audit commences, the nature and scope of the audit plan;

vi) discussed any issues arising from the audit exercise and reviewed the external auditors' report and management's response;

vii) discussed with the external auditors on matters arising from the final audit without the presence of the executive board members and management;

viii) discussed on the matters related to the area of corporate governance and prevention and detection of fraud;

ix) reviewed the adequacy and relevance of the scope, functions and internal audit processes as well as the internal audit plan;

x) reviewed the internal audit report presented by internal auditors and considered the major findings and recommendations of the internal auditors in the Group's operation and ensured significant findings were adequately addressed by the management;

xi) reviewed any related party transactions that may arise within the Group;

xii) reviewed and verified the allocation of shares granted pursuant to the Scientex Berhad Share Grant Plan ("SGP");

xiii) reviewed the Audit Committee Report, Statement on Corporate Governance and Statement on Risk Management and Internal Control for inclusion in the Annual Report; and

xiv) discussed any significant accounting, auditing and regulatory issues and reviewed the impact of new or proposed changes in accounting standards and other regulatory requirements.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is carried out by the Internal Audit Department, which reports directly to the Audit Committee on its activities based on the approved Internal Audit Plans. Its principal function is to undertake independent regular and systematic review of the system of internal controls within the Group so as to provide independent assurance on the adequacy and effectiveness of governance, risk management and internal control processes.

During the financial year under review, the Internal Audit Department has conducted assurance review on adequacy and effectiveness of the internal control system on certain operating units and presented its findings together with recommendations and management action plan to the Audit Committee for review. The cost incurred for the Group's internal audit function during the financial year ended 31 July 2015 amounted to RM307,735.

SCIENTEX BERHAD SHARE GRANT PLAN

The first batch allocation of shares to the eligible employees of the Company and its subsidiaries under the SGP was vested on 20 November 2014. The Audit Committee has reviewed and verified such allocation and concurred that the award of shares under the SGP was in compliance with the criteria determined by the SGP Committee, pursuant to Paragraph 8.17(2) of the Listing Requirements. During the financial year ended 31 July 2015, 357,000 new ordinary shares of RM0.50 each have been granted and vested to the eligible employees based on their employment grade and achievement of performance target for the financial year 2014.

This Audit Committee Report is made in accordance with the resolution of the Board of Directors on 2 November 2015.

Statement On Corporate Governance

The Board of Directors ("Board") recognises that good corporate governance and the responsibility to observe high standards of transparency, accountability and integrity to be the cornerstone of a well-managed organisation. These best practices will not only safeguard and enhance sustainable shareholders' value but also ensure that the interests of all the stakeholders are protected.

Set out below is the manner on how the Group has applied the Principles and Recommendations of the Malaysian Code on Corporate Governance 2012.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Board's Roles And Responsibilities And The Functions Of Management

The Board is primarily responsible to determine the Group's strategic plans and direction, overseeing the conduct of the business, risk management, succession planning of senior management, implementing investor relations programme and ensuring the system of internal controls and management information system are in place and are effective. In addition, there is a schedule of matters reserved for the Board's approval amongst others, annual budget and business plans, recommendation of dividends, financial results, changes in board composition, substantial transactions, major acquisition of assets or investments and corporate issues.

The Management is accountable for the execution of the expressed policies and attainment of the Group's corporate objectives. The Management carries out and executes the day-to-day business and operational matters to meet the budgets adopted by the Board and such other corporate objectives as may be delegated by the Board to the Management.

Code Of Ethics

The Board has on 24 September 2008 adopted the Code of Ethics for Directors, which set out the standards of corporate governance and corporate behaviour for the Directors of the Company. The Directors shall observe the Code of Ethics and its application to the performance of their duties and responsibilities in relation to the matters related to corporate governance, relationship with shareholders, employees, creditors and customers and corporate responsibilities and environment.

Strategies Promoting Sustainability

The Board has formulated overall objectives and plan for five years as well as policies and business strategies on an on-going basis which are designed to respond to rapid changes in the external business conditions and environment whilst ensuring that the Group's overall objectives and plan are adhered to. The Group place great emphasis on developing the capabilities of our people and honing their talent and practise a performance based reward management system designed to promote performance in order to achieve sustainable growth. Aside from these, the Group has also shown its commitment to social health care and environment, of which a detailed report on sustainability activities for the year under review are disclosed on page 36 of this Annual Report.

Access To Information And Advice

The agenda and board papers for each board meeting are circulated to all Board members for their review in advance of the scheduled meetings to enable them to have opportunity to seek clarification and to have sufficient time to study the issues to be deliberated at the Board meetings. Amongst others, the board papers provide information such as quarterly financial results, annual financial statements, acquisition and investment proposals, major corporate and financial issues and minutes of meetings of Committees of the Board.

The Chairman of the Audit Committee and other Board Committees would inform the Directors at Board meetings of any salient matters noted by the Committees and which may be required to be brought up to the Board for attention or implementation.

Senior management staff are invited to attend the Board meetings to give presentations and provide additional insight into matters to be discussed in the Board meetings. In addition, advisers and professionals appointed by the Company in connection with corporate proposals such as auditors, investment bankers and solicitors may also be invited to attend Board meetings to provide the Board with their professional opinion and explanation on the transaction in deliberation and to clarify any issues raised by the Board.

The Directors in their individual capacity or as a full Board have full and unrestricted access to all information pertaining to the Group. The Directors also have the advice and services of the Company Secretary and senior management staff at all times to aid in the proper discharge of their statutory and fiduciary duties. The Board seeks for update and advice from the qualified Company Secretary on procedural and regulatory requirements. The Directors may engage independent professional advice at the Company's expense, if necessary in the course of their duties.

Board Charter

The Board has on 25 June 2013 adopted a Board Charter, which sets out the Board's strategic intent and outlines the Board's roles and responsibilities and act as a source reference and primary induction literature to provide insights to prospective Board members and senior management.

The Board Charter would be reviewed and updated periodically as and when necessary to ensure its appropriateness and relevance to the needs of the Company from time to time and its compliance with the regulatory and legal requirements.

The Board Charter is accessible from the Company's website at www.scientex.com.my.

2. STRENGTHEN COMPOSITION

The Board Committees

The following main committees have been established to support the Board to discharge its duties and responsibilities. The Board has delegated certain powers and duties to these committees, which operate within the defined terms of reference.

(i) Audit Committee

The Board has established an Audit Committee comprising three (3) Independent Non-Executive Directors.

The present members of the Audit Committee are:-

Members	Position
Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim	Chairman *(Independent Non-Executive Director)*
Cham Chean Fong @ Sian Chean Fong	Member *(Independent Non-Executive Director)*
Ang Kim Swee	Member *(Independent Non-Executive Director)*

The summary of the terms of reference and report of the Audit Committee are provided on pages 39 and 40 of this Annual Report.

(ii) Nomination Committee

The Nomination Committee was established on 18 November 2003 with a written term of reference dealing with its functions, duties and authorities. The present members of the Nomination Committee are:-

Members	Position
Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim	Chairman *(Independent Non-Executive Director)*
Cham Chean Fong @ Sian Chean Fong	Member *(Independent Non-Executive Director)*

The Nomination Committee's responsibilities, in accordance with its terms of reference, include recommending to the Board candidates for appointment as Executive and Non-Executive Directors and assisting the Board in its annual review of the required mix of skills and experience and other qualities, including core competencies, which the Directors should bring to the Board. The Committee is also responsible to assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of each Director on an annual basis. The Committee has adopted a questionnaire methodology for evaluation process.

In carrying out its functions and duties, the Nomination Committee has full, free and unrestricted access to the Company's records, properties and personnel. The Committee may obtain the services of professional recruitment firms to source for the right candidate for directorship, whenever necessary.

The Nomination Committee meets as and when necessary, with proper record of minutes to be kept by the Secretary.

During the financial year 2015, the Nomination Committee had a meeting to consider the appointment of Mr Ang Kim Swee as a Independent Non-Executive Director to enhance the roles and responsibilities of the Board and to contribute to the growth of the Group and to fill the vacancy in the Audit Committee left by Mr Fok Chuan Meng, in compliance with Paragraph 15.09 of the Main Market Listing Requirements ("Listing Requirements") of the Bursa Malaysia Securities Berhad ("Bursa Securities"). The Committee has also assessed the composition of the Board and its Audit Committee having regard to the mix of skills, experience, competency, diversity and other qualities required to meet the need of the Group and to comply with the Listing Requirements of Bursa Securities. Pursuant thereto, the Nomination Committee made recommendation to the Board for Mr Ang's appointment as Independent Non-Executive Director and a member of the Audit Committee, for the Board's deliberation and approval.

In upholding effective Board, the Nomination Committee has discussed on the training needs of the Directors during the financial year. All Directors shall determine their own training needs and attend training programmes which are relevant to their needs on a continuous basis in order to keep abreast with the regulatory requirements and business development.

The Nomination Committee has also assessed the independence of all Independent Non-Executive Directors of the Company to ensure the Board would be able to discharge its duties and responsibilities effectively and has determined that all Independent Non-Executive Directors remain objective and independent and made recommendation to the Board for approval to retain them as Independent Non-Executive Directors.

In addition, the Committee has received confirmation from the Directors who are subject to re-election or re-appointment at the forthcoming Annual General Meeting ("AGM") of their intention to seek for re-election or re-appointment.

(iii) Remuneration Committee

The Remuneration Committee was established on 18 November 2003. The present members of the Remuneration Committee are:-

Members	Position
Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim	Chairman *(Independent Non-Executive Director)*
Lim Peng Jin	Member *(Managing Director)*
Cham Chean Fong @ Sian Chean Fong	Member *(Independent Non-Executive Director)*

The Remuneration Committee, in accordance with its terms of reference, has the function of reviewing and recommending to the Board the remuneration packages of the Executive Directors as well as fees and allowances for the Non-Executive Directors. The Committee is also responsible to adopt a formal and transparent procedure for developing the policy on the remuneration packages for the Directors.

In carrying out its duties and responsibilities, the Remuneration Committee has full, free and unrestricted access to the Company's records, properties and personnel. The Committee may obtain the advice of external consultants on the appropriateness of remuneration packages and other employment conditions, if required.

The Remuneration Committee meets as and when necessary, with proper record of minutes to be kept by the Secretary.

(iv) Risk Management Committee

The Risk Management Committee was established on 19 June 2014. The present members of the Risk Management Committee are:-

Members	Position
Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim	Chairman *(Independent Non-Executive Director)*
Lim Peng Jin	Member *(Managing Director)*
Teow Her Kok @ Chang Choo Chau	Member *(Independent Non-Executive Director)*

The Risk Management Committee's functions and duties, in accordance with its terms of reference, include reviewing the risk management and internal control system of the business and the material exposures and strategies to mitigate such significant risks and reviewing the adequacy of the Group's overall risk assessment processes and the ability of the Group to identify and manage new material risks. The Committee shall report to the Board and provide appropriate advice and recommendations on material risk issues, and a risk management system for the timely identification, mitigation and management of such significant risks that may have a material impact on the Group. It works closely with the Executive Committee to ascertain that there are on-going monitoring processes to manage significant risks.

In carrying out its functions and duties, the Risk Management Committee has full, free and unrestricted access to the Company's records, properties and personnel. The Committee may obtain the services of external consultants or any other professional advice on any matter within its terms of reference when required. The Committee may also request the attendance of any members of other Board Committees and any employee of the Group or other individual at a meeting of the Committee as and when required.

The Risk Management Committee meets as and when necessary, with proper record of minutes to be kept by the Secretary.

During the financial year ended 31 July 2015, the Risk Management Committee has reviewed and discussed its terms of reference, the overall risk management and control system of the Group and major expansion plans undertaken by the Group.

Appointment And Re-election Of Directors

The Nomination Committee is responsible for making recommendations to the Board for the appointment of new directors. All nomination to the Board shall first be considered by the Nomination Committee, taking into account the required mix of skills and experience and the candidates' character, competency, integrity, time commitment and other qualities, before being recommended to the Board. The Nomination Committee also considers, in making its recommendation, candidates for directorship proposed by the Managing Director and, within the bounds of practicability, by any other senior executive or any Director or shareholder. The Nomination Committee meets with the shortlisted candidates to assess their suitability before formally considering and recommending them for appointment to the Board and where applicable, to the Committees. Based on its recommendation, the Board will evaluate and decide on the appointment of the proposed candidate to replace any director who resign or retires from the Board and its Committees.

In accordance with the Company's Articles of Association, at every AGM, one-third (1/3) of the Directors with a minimum of one (1) and those appointed during the year shall retire from office and shall be eligible for re-election. The Articles of Association further provide that all Directors shall retire from office at least once in every three (3) years. The Directors over seventy years of age are required to offer themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965. The re-election and re-appointment of Directors ensure that shareholders have a regular opportunity to re-assess the composition of the Board.

Diversity Policy

The Company presently does not have any formal diversity policy in term of gender, ethnicity and age. The Nomination Committee and the Board are of the opinion that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximise the effectiveness of the Board, taking into account the balance of skills, experience, knowledge, time commitment, independency and the Group's needs and circumstances.

Directors' Remuneration

The Company's general policy on Directors' remuneration is to offer competitive remuneration packages, which are designed to attract and retain high calibre Directors needed to run the Company successfully. The remuneration package for the Executive Directors is structured to link rewards to financial performance and long-term objectives of the Group and individual performance. The remuneration package comprises a number of separate elements such as basic salary, allowances, bonuses and other benefits-in-kind.

In the case of the Non-Executive Directors, the level of remuneration shall be linked to their experience and the level of responsibilities undertaken. The remuneration package for the Non-Executive Directors shall be determined by the Board as a whole. The Director concerned shall abstain from deliberation and voting on decisions in respect of his individual remuneration package.

The Board is of the view that the current remuneration level suffices to attract, and retain calibre Directors to serve on the Board.

The details of the remuneration of the Directors are as follows:-

	Salaries RM'000	Fees RM'000	Bonuses and Allowances and Other Emoluments RM'000	EPF Contribution by Employer RM'000	Total RM'000
Executive Directors	4,768	38	5,625	1,562	11,993
Non-Executive Directors	-	146	-	-	146

The number of Directors whose remuneration falls into the following bands is as follows:-

Range of Remuneration	Number of Directors Executive Directors	Non-Executive Directors
Below RM50,000	-	7
RM1,700,001 – RM1,750,000	1	-
RM10,250,001 – RM10,300,000	1	-

3. REINFORCE INDEPENDENCE

Assessment Of Independence And Tenure Of Independent Directors

The Board recognises the importance of independence and objectivity in the decision-making process and the ability of the Directors to exercise independent judgement at all times and to contribute to the effective functioning of the Board and to mitigate risks arising from conflict of interest or undue influence from interested parties. The Board, through the Nomination Committee assesses the independence of the Independent Non-Executive Directors. All the Independent Non-Executive Directors fulfil the criteria of "independent director" as prescribed under the Listing Requirements of Bursa Securities. Each of the Independent Non-Executive Directors has provided a confirmation of his independence to the Nomination Committee.

One of the recommendations of the Malaysian Code on Corporate Governance 2012 states that the tenure of an independent director should not exceed a cumulative term of nine (9) years. However, the Board does not set any timeframe on how long the Independent Director can serve the Company. The Nomination Committee and the Board have assessed and determined that YBhg. Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim and Mr Cham Chean Fong @ Sian Chean Fong, who have served the Board for twelve (12) years and fourteen (14) years respectively, remain objective and independent in expressing their views and in participating deliberations and decision making of the Board and Board Committees. The Committee is of the view that there are significant advantages to be gained from the long-serving Directors who provide invaluable insight and possess in depth knowledge of the Group's affairs. The calibre, qualification, experience and personal qualities, particularly of the Director's integrity and objectivity in discharging his responsibilities in the best interest of the Company predominantly determines the ability of a Director to serve effectively as independent director. The length of their service on the Board does not in any way interfere with their exercise of independent judgement and ability to act in the best interests of the Company.

In view of the above, based on the recommendation by the Nomination Committee, the Board supports the resolutions for the re-appointment and/or retention of YBhg. Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim and Mr Cham Chean Fong @ Sian Chean Fong as Independent Non-Executive Directors of the Company, which will be tabled for shareholders' approval at the forthcoming AGM of the Company.

Separation Of Positions Of The Chairman And Managing Director

To maintain effective supervision and accountability of the Board and the Management, the position of the Chairman and Managing Director are held by separate persons to ensure a balance of power and authority. To further reinforce this separation, the Chairman of the Company is not someone who has previously served as the managing director of the Company. The Chairman plays a crucial leadership and pivotal role to ensure that the Board works effectively in the oversight of management whilst the Managing Director has overall responsibilities for the day-to-day management of the Group to ensure the Group's businesses are properly and efficiently managed and to implement Board policies and decisions.

Board's Composition And Balance

The Board currently has six (6) members, comprising an (1) Executive Director, who is also the Managing Director of the Company, a (1) Non-Independent Non-Executive Director and four (4) Independent Non-Executive Directors. The Board is in compliance with the Listing Requirements of Bursa Securities which require at least one-third (1/3) of the total number of Directors to be independent.

The Board's members are drawn from various backgrounds, bringing depth and diversity in experience, expertise and perspectives to the Board to provide a synergy of strength in charting the directions of the Group. The profile of the Directors as presented on pages 10 to 12 of this Annual Report demonstrates their range of qualifications and experience.

The Executive Director is responsible for implementing policies and decisions of the Board, overseeing operations and development of business and corporate strategies. The Independent Non-Executive Directors, with their expertise and experience provide the necessary balance of power and authority to the Board. They do not participate in the day-to-day management of the Company and do not engage in any business dealings or other relationship with the Company in order that they are capable of exercising independent judgement and act in the best interest of the Company and its shareholders. YBhg. Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim is the Senior Independent Non-Executive Director.

The Board is satisfied that the current composition is broadly balanced and considers its current size adequate given the present scope and nature of the Group's business operations.

4. FOSTER COMMITMENT

Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by all the directors observing the restriction on the number of directorships as set out in the Listing Requirements of Bursa Securities by not holding more than five (5) directorships in listed issuers and the attendance record of Directors at Board meetings as set out below.

Board Meetings

The Board meets regularly on a quarterly basis with additional meetings convened if there are urgent issues or matters that require attention and expeditious direction from the Board. The Board meetings have a formal agenda on matters for discussion with adequate time allocated for deliberation and the Chairman of the Board chairs the meetings with proper record of minutes kept by the Secretary. The minutes of Board meetings are circulated to all Directors for their perusal prior to confirmation of the minutes to be done at the commencement of the following Board meetings.

During the financial year ended 31 July 2015, the Board met four (4) times and the record of attendance of the meetings is set out below:-

	Number of Meetings Attended / Total Number of Meetings Held	Percentage (%) of Attendance
Executive Directors		
Lim Peng Jin	4/4	100
Lim Teck Meng *(Retired on 4 February 2015)*	2/2	100
Non-Executive Directors		
Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim	3/4	75
Lim Peng Cheong	4/4	100
Cham Chean Fong @ Sian Chean Fong	4/4	100
Teow Her Kok @ Chang Choo Chau	4/4	100
Fok Chuan Meng *(Retired on 17 December 2014)*	1/1	100
Ang Kim Swee *(Appointed on 17 December 2014)*	2/2	100
Wong Mook Weng @ Wong Tsap Loy *(Retired on 23 March 2015)*	2/3	67

Notes:-
The meetings were held on 24 September 2014, 17 December 2014, 23 March 2015 and 29 June 2015.

Directors' Training

All the Directors have attended the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Securities. The Board is mindful that the Directors should continuously update their skills and knowledge to maximise their effectiveness during their tenure and all Directors are required to evaluate their own training needs on a continuous basis and determine the relevant programmes, workshop or conference to update and improve their skills and knowledge to keep abreast with the regulatory requirements and business development. In this aspect, as part of the directors' training programmes, a budgeted amount has been set aside for all the Directors to attend training courses which are relevant and may assist the Directors in discharging their responsibilities. In addition, the Board is notified of a series of training programmes or workshop conducted by Bursa Securities and Bursatra Sdn Bhd for its consideration of participation and the Board receives updates of the new statutory and regulatory requirements from time to time. The external auditors also briefed the Directors on any changes to the Malaysian Financial Reporting Standards that would affect the Group's financial statements during the financial year under review.

During the financial year, YBhg. Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim had attended financial institutions directors' education programmes and forum, conference and seminars related to the economic, directors' remuneration, community, leadership and corporate governance. Mr Lim Peng Jin had attended conference and seminars related to economic, scenario planning, business and management. Mr Lim Peng Cheong had attended training programmes related to economic and corporate strategy. Apart from the MAP, Mr Ang Kim Swee had attended the 2015 Audit Committee Conference organised by The Institute of Internal Auditors Malaysia.

As for Mr Cham Chean Fong @ Sian Chean Fong and Mr Teow Her Kok @ Chang Choo Chau, they have attended training programs in 2015 related to annual report and sustainability issues respectively.

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

Financial Reporting

In presenting the annual audited financial statements and quarterly results announcements to shareholders, the Board aims to present a balanced and fair assessment of the Group's financial position and prospects. The Audit Committee reviews the Group's quarterly financial results and annual audited financial statements to ensure accuracy, adequacy and completeness prior to presentation to the Board for its approval.

The Audit Committee and the Board are required, amongst others, to ensure that the financial statements prepared are drawn up in accordance with the applicable Financial Reporting Standards and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Company and the Group.

Directors' Responsibility Statement

Paragraph 15.26(a) of the Listing Requirements of Bursa Securities requires a statement explaining the Board's responsibility for preparing the financial statements.

The Directors are responsible for the preparation of financial statements for each financial year to give a true and fair view of the financial position of the Group and the Company and of the financial performance and cash flows of the Group and the Company for the financial year then ended.

In the preparation of these financial statements, the Directors have:-

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- ensured that applicable approved accounting standards have been complied with.

The Directors are responsible for ensuring that proper accounting and other records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Company and ensuring that the financial statements comply with the Companies Act, 1965, applicable approved accounting standards in Malaysia and Listing Requirements of Bursa Securities.

Relationship With Auditors

The Board has established formal and transparent arrangements for maintaining appropriate relationships with the Group's auditors through the Audit Committee. Whenever the need arises, the auditors would highlight to the Audit Committee and the Board, matters especially those pertaining to the areas of risk management and internal controls that would require their attention and response. The role of the Audit Committee in relation to the auditors is described in the Audit Committee Report.

Suitability And Independence Of External Auditors

The Audit Committee had reviewed the suitability and independency of the external auditors and the external auditors have confirmed their independence to the Board for the current financial year under review.

6. RECOGNISE AND MANAGE RISKS

Internal Control And Risk Management

The Board recognises the importance of risk management both at the strategic and operational levels. In addition, the Board acknowledges its responsibilities in ensuring a sound system of risk management and internal control covering the financial, operational and compliance aspects of the business.

Information on the Group's risk management and internal control system is presented in the Statement on Risk Management and Internal Control set out on pages 37 and 38 of this Annual Report.

Internal Audit Function

The Group has established an internal audit department, which is led by a head of internal audit who reports to the Audit Committee.

Details of the Group's internal audit function are set out in the Statement on Risk Management and Internal Control and the Audit Committee Report in the appropriate section of this Annual Report.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board recognises the importance of transparency and accountability to its shareholders and maintains an effective communications policy that enables both the Board and the Management to communicate effectively with its shareholders, stakeholders and the public. The policy effectively interprets the operations of the Group to the shareholders and accommodates feedback from shareholders, which are factored into the Group's business decisions.

The Board communicates information on the operations, activities and performance of the Group to the shareholders, stakeholders and the public through the following:-

(i) the annual report, which contains the financial and operational review of the Group's business, corporate information, financial statements and information on Board Committees and the Board;

(ii) various corporate announcements made to the Bursa Securities, which include timely released announcements on quarterly financial results of the Group;

(iii) the Company's website, www.scientex.com.my, provides a channel of communication and information dissemination. Under the section of "Investor", shareholders or potential investors can download the necessary information, amongst others, annual reports, quarterly financial results, announcements and circulars to shareholders, analyst reports and press releases and request for information; and

(iv) continuous stream of active dialogues, discussions or briefings with the press, fund managers and analysts through planned programme of investor relations activities.

8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Shareholders Participation At General Meetings

The general meetings serve as an important channel for shareholders' communication. Notice of the general meetings are sent to shareholders at least fourteen (14) days before the meeting or at least twenty-one (21) days prior to the meeting where any special resolution is to be proposed or where it is an AGM, together with the annual report. The Board ensures all relevant information is disclosed to the shareholders to enable them to exercise their rights and hence, each item of special business included in the notice of meeting will be accompanied by an explanatory statement on the effects of the proposed resolution.

Poll Voting

All resolutions put forth for shareholders' approval at general meetings are voted by a show of hands, unless there is any related party transaction or substantive resolution where poll voting is applied when necessary. The outcome of the general meetings is announced to the Bursa Securities on the same day after the meetings are concluded and the announcement is accessible via the Bursa Securities and the Company's website.

Effective Communication And Proactive Engagement

At AGM, shareholders are given opportunity and time to express their views or raise questions in connection with the Company's financial performance, business operations, corporate governance and other matters affecting shareholders' interests. The Directors and senior management as well as the Auditors of the Company are present in person at AGM and to respond to any questions raised by the shareholders.

In addition, a press conference is held immediately following the conclusion of an AGM where the Directors brief the press, and answer relevant questions on the Group's operations and financial performance.

To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated section in the Company's website to which shareholders and stakeholders can direct their queries or concerns.

This Statement on Corporate Governance was approved in accordance with the resolution of the Board on 2 November 2015.

Additional Compliance Information

1. Share Buy-Backs

During the financial year ended 31 July 2015, the Company bought back 200 ordinary shares of RM0.50 each of its issued share capital which are listed and quoted on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and resold 4,347,000 of its treasury shares in the open market of Bursa Securities. The Company also cancelled 357,000 treasury shares of RM0.50 each in June 2015.

The details of shares bought back by the Company during the financial year ended 31 July 2015 are as follows:-

Month	No. of Shares Purchased & Retained As Treasury Shares	Purchase Price Per Share (RM)			Total Consideration Paid (RM)
		Lowest Price	Highest Price	Average Price	
December 2014	100	7.13	7.13	7.13	754
June 2015	100	6.98	6.98	6.98	742
Total	200				1,496

The details of shares resold by the Company during the financial year ended 31 July 2015 are as follows:-

Month	No. of Shares Resold in the Market	Resale Price Per Share (RM)			Total Consideration Received (RM)
		Lowest Price	Highest Price	Average Price	
October 2014	630,000	7.12	7.16	7.13	4,478,593
November 2014	3,717,000	7.05	7.18	7.11	26,331,108
Total	4,347,000				30,809,701

All the shares bought back by the Company during the financial year were retained as treasury shares, other than the cancelled shares as disclosed above. As such, the Company held 4,140,962 of its 230,000,000 issued and paid-up share capital as treasury shares as at 31 July 2015.

2. Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities issued by the Company, except for the award of shares under the Scientex Berhad Share Grant Plan ("SGP").

3. Scientex Berhad Share Grant Plan

During the financial year ended 31 July 2015, the Company granted and vested 357,000 new ordinary shares of RM0.50 each to the eligible employees of the Company and its subsidiaries, pursuant to the SGP. Further information of the SGP is set out in Note 24(b) of the Audited Financial Statements for the financial year ended 31 July 2015.

During the financial year 2015, the number of new ordinary shares of RM0.50 each ("Shares") granted, vested and outstanding are as follows:-

	Total	Directors / Chief Executive	Senior Management	Others Eligible Employees
Number of Shares Granted	357,000	-	40,800	316,200
Number of Shares Vested	357,000	-	40,800	316,200
Number of Shares Outstanding	-	-	-	-

Based on the By-Laws of the SGP, the total number of Shares that may be awarded under the SGP shall be determined at the sole and absolute discretion of the SGP Committee, subject to the following:-

i) The total number of Shares which may be awarded to the selected eligible employees under the SGP shall not exceed in aggregate 5% of the total issued and paid-up share capital of the Company (excluding treasury shares) at any point of time during the duration of the SGP.

Additional Compliance Information

ii) The allocation to an eligible employee, who either singly or collectively, through persons connected with the eligible employee, holds 20% or more of the issued and paid-up share capital of the Company (excluding treasury shares), must not exceed 10% of the total number of Shares to be issued under the SGP; and

iii) Not more than 50% of the Shares to be issued under the SGP shall be allocated to the eligible employees who are in senior management of the Group.

As at 31 July 2015, 11.43% of the Shares granted pursuant to the SGP have been granted and vested to the senior management during the financial year 2015 and since the commencement of the SGP on 21 January 2014. None of the Shares were granted or vested to the Directors of the Company under the SGP.

4. Depository Receipt Programme

The Company did not sponsor any depository receipt programme during the financial year.

5. Sanctions and/or Penalties

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by any regulatory bodies during the financial year.

6. Non-Audit Fees

The amount of non-audit fees paid to the external auditors for the financial year ended 31 July 2015 was as follows:-

Name of Auditors and its affiliate corporation	Services	Fees (RM)
Deloitte & Touche	Review of Statement on Risk Management and Internal Control	8,000
Deloitte & Touche Tohmatsu Tax Services Sdn Bhd	Preparation of transfer pricing documentation reports (interim billing)	35,000
Deloitte & Touche	Review of yearly Licensed Manufacturing Warehouse returns to The Royal Malaysian Customs	8,000

7. Profit Estimate, Forecast, Projection and Variation in Results

There were no variations of 10% or more between the audited results for the financial year ended 31 July 2015 and the unaudited results for the quarter ended 31 July 2015 of the Group previously announced.

The Company did not make any release on the profit estimate, forecast and projection for the financial year.

8. Profit Guarantee

The Company did not give any profit guarantee during the financial year ended 31 July 2015.

9. Material Contracts

There were no material contracts entered into by or subsisting between the Company and its subsidiaries involving Directors' and major shareholders' interests during the financial year ended 31 July 2015.

Financial Statements

Directors' Report

The directors of **SCIENTEX BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 July 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, letting of properties and provision of management services. The principal activities of the subsidiaries, joint venture and associate are as disclosed in Notes 15, 17 and 18 respectively to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year other than those stated in Note 15 to the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Profit for the year	162,096	42,229
Profit attributable to:		
Owners of the Company	158,190	42,229
Non-controlling interests	3,906	-
	162,096	42,229

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

Dividends paid and declared since the end of the previous financial year were as follows:

	RM'000
In respect of the financial year ended 31 July 2014:	
Single tier interim dividend of 16% (8 sen per ordinary share) declared on 19 June 2014 and paid on 8 August 2014	17,692
Single tier final dividend of 26% (13 sen per ordinary share) declared on 17 December 2014 and paid on 6 February 2015	29,362
	47,054
In respect of the financial year ended 31 July 2015:	
Single tier interim dividend of 18% (9 sen per ordinary share) declared on 29 June 2015 and paid on 7 August 2015	20,327
	67,381

The directors had on 29 September 2015 proposed a single tier final dividend of 26% (13 sen per ordinary share) amounting to approximately RM29,362,000, in respect of the financial year ended 31 July 2015. The proposed single tier final dividend is subject to the approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liabilities in the financial statements. Upon approval by the shareholders, the dividend payment will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 July 2016.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

Continued

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up share capital from 230,000,000 to 230,357,000 by way of issuance of 357,000 ordinary shares of RM0.50 each, pursuant to the Scientex Berhad Share Grant Plan ("SGP"). The new ordinary shares issued rank pari-passu in all respects with the existing ordinary shares of the Company.

As at 31 July 2015, the total number of issued and paid-up share capital of the Company was 230,000,000 ordinary shares of RM0.50 each after the cancellation of 357,000 treasury shares of RM0.50 each during the financial year.

TREASURY SHARES

During the financial year, the Company:

(i) Repurchased 200 of its issued ordinary shares from the open market of Bursa Malaysia Securities Berhad at an average price (including transaction costs) of RM7.48 per share. The total consideration paid for the repurchase (including transaction costs) was RM1,496. The repurchased shares are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

(ii) Sold 4,347,000 treasury shares in the open market of Bursa Malaysia Securities Berhad at an average price of RM7.09 per share for a total consideration of approximately RM30,810,000 (including transaction costs). The cost of the treasury shares was at an average price of RM1.46 per share, amounting to approximately RM6,338,000. This resulted in an increase in the share premium and equity attributable to shareholders of the Company of approximately RM24,472,000 and RM30,810,000 respectively.

(iii) Cancelled 357,000 treasury shares of RM0.50 each. Cost of the treasury shares was at an average price of RM1.46 per share, amounting to approximately RM521,000. The cancellation resulted in a decrease in share premium of approximately RM521,000 and an increase in capital redemption reserve of approximately RM179,000.

As at 31 July 2015, the Company held 4,140,962 of its 230,000,000 issued and paid-up share capital as treasury shares. Such treasury shares are held at a carrying amount of approximately RM6,039,000. Further relevant details are disclosed in Note 25(e) to the financial statements.

SHARE GRANT PLAN

The SGP is governed by the By-Laws which was approved by the shareholders on 17 December 2013 and is administered by the SGP Committee which is appointed by the Board of Directors, in accordance with the By-Laws. The SGP shall be in force for a period of 5 years from the effective date, 21 January 2014 to 20 January 2019, unless extended for up to another 5 years immediately upon the expiry of the first 5 years, but shall not in aggregate exceed the duration of 10 years from the effective date.

The salient features, terms and conditions, details and vesting conditions of the SGP are as disclosed in Note 24(b) to the financial statements.

During the financial year, the Company granted and vested 357,000 new ordinary shares of RM0.50 each to the eligible employees of the Company and its subsidiaries under the SGP. The closing share price as at the date of granting was RM7.05.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of employees who have been granted and vested less than 10,200 ordinary shares of RM0.50 each. The names of the employees who were granted and vested at least 10,200 ordinary shares of RM0.50 each during the financial year ended 31 July 2015 are as follows:

Name	Number of ordinary shares of RM0.50 each granted and vested under the SGP
Koay Teik Chuan	20,400
Choo Seng Hong	20,400
Gan Kok Khye	17,000
Khaw Giet Thye	17,000
Chang Siew Sian	17,000
Choo Chee Meng	13,600
Goh Tian Chin	10,200
Tan Hong Koon	10,200
Wong Poon Kheong	10,200
Lim Man Kwang	10,200

Continued

OTHER STATUTORY INFORMATION

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book value in the ordinary course of business had been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made, other than as disclosed in Note 38 to the financial statements.

DIRECTORS

The names of the directors in office since the date of the last report are as follows:

Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim
Lim Peng Jin
Lim Peng Cheong
Cham Chean Fong @ Sian Chean Fong
Teow Her Kok @ Chang Choo Chau
Ang Kim Swee (appointed on 17 December 2014)
Fok Chuan Meng (retired on 17 December 2014)
Lim Teck Meng (retired on 4 February 2015)
Wong Mook Weng @ Wong Tsap Loy (retired on 23 March 2015)

Continued

DIRECTORS' INTERESTS

The shareholdings in the Company and in the related companies of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 are as follows:

	Number of ordinary shares of RM0.50 each			
Shares in the Company	**Balance as at 1.8.2014/date of appointment**	**Bought**	**Sold**	**Balance as at 31.7.2015**
Direct interests				
Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim	76,940	-	-	76,940
Lim Peng Jin	1,178,470	-	-	1,178,470
Lim Peng Cheong	177,300	5,000	(75,000)	107,300
Teow Her Kok @ Chang Choo Chau	220,000	-	-	220,000
Ang Kim Swee	-	10,000	-	10,000
Deemed/Indirect interests				
Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim	100,000	-	-	100,000
Lim Peng Jin	130,007,257	3,203,578	(856,676)	132,354,159
Lim Peng Cheong	121,745,029	3,872,488	(2,163,588)	123,453,929

Lim Peng Jin and Lim Peng Cheong by virtue of their interest in shares in the Company are also deemed to have interest in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial year held any shares or had beneficial interest in the shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefits (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full time employee of the Company as disclosed in Note 10 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in Note 34 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby the directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 37 to the financial statements.

SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR END

Significant event subsequent to the financial year end is disclosed in Note 38 to the financial statements.

AUDITORS

Messrs. Deloitte have indicated their willingness to accept appointment as auditors of the Company in place of the retiring auditors, Messrs. Deloitte & Touche.

Signed on behalf of the Board in accordance with a resolution of the directors,

LIM PENG JIN **LIM PENG CHEONG**

Shah Alam, Selangor Darul Ehsan
2 November 2015

Independent Auditors' Report

To The Members Of Scientex Berhad (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **SCIENTEX BERHAD**, which comprise the statements of financial position of the Group and of the Company as of 31 July 2015 and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 57 to 121.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of these financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 July 2015 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that:

(a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act;

(b) we have considered the accounts and auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 15 to the financial statements, being accounts that have been included in the financial statements of the Group;

(c) we are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and

(d) the auditors' reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 39 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Continued

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

DELOITTE & TOUCHE
AF 0834
Chartered Accountants

LAI CAN YIEW
Partner - 2179/11/16 (J)
Chartered Accountant

2 November 2015

Statements Of Profit Or Loss And Other Comprehensive Income

For the financial year ended 31 July 2015

		The Group	
	Note	**2015 RM'000**	**2014 RM'000**
Revenue	5	1,801,684	1,590,472
Cost of sales	6	(1,442,455)	(1,298,151)
Gross profit		359,229	292,321
Other income		14,982	9,189
Selling and distribution expenses		(42,891)	(39,590)
Administration expenses		(79,113)	(72,300)
Other expenses		(27,229)	-
Finance costs	7	(8,255)	(7,143)
Share of results of associate and joint venture		4,239	3,789
Profit before tax	8	220,962	186,266
Income tax expense	11	(58,866)	(34,765)
Profit for the year		162,096	151,501
Profit for the year attributable to:			
Owners of the Company		158,190	148,450
Non-controlling interests		3,906	3,051
		162,096	151,501
Earnings per share			
Basic and diluted (sen per share)	12	70	67

Statements Of Profit Or Loss And Other Comprehensive Income

For the financial year ended 31 July 2015 - continued

	Note	The Group 2015 RM'000	The Group 2014 RM'000
Profit for the year		162,096	151,501
Other comprehensive income/(loss), net of income tax:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligations	27	-	(4,520)
Revaluation of land and buildings		36,533	-
Item that may be reclassified subsequently to profit or loss:			
Foreign currency translation of foreign operations		9,044	(482)
Other comprehensive income/(loss) for the year, net of income tax		45,577	(5,002)
Total comprehensive income for the year, net of income tax		207,673	146,499
Total comprehensive income attributable to:			
Owners of the Company		201,672	143,766
Non-controlling interests		6,001	2,733
		207,673	146,499

Statements Of Profit Or Loss And Other Comprehensive Income

For the financial year ended 31 July 2015

		The Company	
	Note	**2015 RM'000**	**2014 RM'000**
Revenue	5	48,533	82,906
Other income		7,229	265
Administrative expenses		(12,950)	(25,157)
Finance costs	7	(22)	(23)
Profit before tax	8	42,790	57,991
Income tax expense	11	(561)	(491)
Profit for the year		42,229	57,500
Other comprehensive income/(loss), net of income tax:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligations	27	-	(3,335)
Revaluation of land and buildings		16,807	-
Item that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income/(loss) for the year, net of income tax		16,807	(3,335)
Total comprehensive income for the year, net of income tax		59,036	54,165

The accompanying Notes form an integral part of the Financial Statements.

Statements Of Financial Position

As of 31 July 2015

	Note	The Group 2015 RM'000	The Group 2014 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	13	642,791	552,100
Investment properties	14	17,000	4,479
Land held for property development	16	268,616	260,401
Investment in joint venture	17	26,155	25,340
Investment in associate	18	15,369	12,125
Other investments	19	7,082	5,092
Deferred tax assets	28	2,086	-
		979,099	859,537
Current Assets			
Property development costs	16	136,499	104,618
Inventories	20	111,953	108,998
Trade receivables	21	265,887	222,055
Other receivables, deposits and prepaid expenses	22	55,328	20,058
Tax recoverable		483	1,346
Cash and cash equivalents	23	90,626	83,766
		660,776	540,841
TOTAL ASSETS		1,639,875	1,400,378
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	24	115,000	115,000
Reserves	25	826,978	597,718
Equity attributable to owners of the Company		941,978	712,718
Non-controlling interests		62,784	22,705
Total Equity		1,004,762	735,423
Non-Current Liabilities			
Borrowings	26	75,510	77,540
Retirement benefits obligations	27	18,508	17,343
Deferred tax liabilities	28	40,948	23,572
		134,966	118,455
Current liabilities			
Borrowings	26	149,921	262,880
Trade payables	29	252,518	196,597
Other payables and accrued expenses	30	55,741	57,844
Dividends payable		20,327	17,692
Tax liabilities		21,640	11,487
		500,147	546,500
Total Liabilities		635,113	664,955
TOTAL EQUITY AND LIABILITIES		1,639,875	1,400,378

The accompanying Notes form an integral part of the Financial Statements.

Statements Of Financial Position

As of 31 July 2015

	Note	The Company 2015 RM'000	The Company 2014 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	13	46,753	24,323
Investment in subsidiaries	15	256,895	224,726
Investment in joint venture	17	22,500	22,500
Investment in associate	18	3,000	3,000
Other investments	19	4,883	4,883
		334,031	279,432
Current Assets			
Other receivables, deposits and prepaid expenses	22	2,561	35,810
Tax recoverable		23	63
Cash and cash equivalents	23	2,614	17,457
		5,198	53,330
TOTAL ASSETS		339,229	332,762
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	24	115,000	115,000
Reserves	25	190,175	147,503
Total Equity		305,175	262,503
Non-Current Liabilities			
Retirement benefits obligations	27	7,181	6,769
Deferred tax liabilities	28	6,026	718
		13,207	7,487
Current Liabilities			
Other payables and accrued expenses	30	520	45,080
Dividends payable		20,327	17,692
		20,847	62,772
Total Liabilities		34,054	70,259
TOTAL EQUITY AND LIABILITIES		339,229	332,762

The accompanying Notes form an integral part of the Financial Statements.

Statements Of Changes In Equity

For the financial year ended 31 July 2015

	Non-distributable reserves						Distributable reserve			
The Group	**Share capital RM'000**	**Share premium RM'000**	**Capital redemption reserve RM'000**	**Property revaluation surplus RM'000**	**Foreign currency translation reserve RM'000**	**Treasury shares RM'000**	**Other reserves RM'000**	**Retained earnings RM'000**	**Attributable to the equity holders of the Company RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
As at 1 August 2013	115,000	38,064	17,467	22,774	(1,172)	(12,895)	461	448,966	628,665	19,972	648,637
Profit for the year	-	-	-	-	-	-	-	148,450	148,450	3,051	151,501
Other comprehensive loss for the year	-	-	-	-	(361)	-	-	(4,323)	(4,684)	(318)	(5,002)
Total comprehensive income for the year	-	-	-	-	(361)	-	-	144,127	143,766	2,733	146,499
Acquisition of treasury shares [Note 25(e)]	-	-	-	-	-	(1)	-	-	(1)	-	(1)
Dividends (Note 31)	-	-	-	-	-	-	-	(59,712)	(59,712)	-	(59,712)
As at 31 July 2014	115,000	38,064	17,467	22,774	(1,533)	(12,896)	461	533,381	712,718	22,705	735,423
As at 1 August 2014	115,000	38,064	17,467	22,774	(1,533)	(12,896)	461	533,381	712,718	22,705	735,423
Profit for the year	-	-	-	-	-	-	-	158,190	158,190	3,906	162,096
Other comprehensive income for the year	-	-	-	36,367	7,115	-	-	-	43,482	2,095	45,577
Total comprehensive income for the year	-	-	-	36,367	7,115	-	-	158,190	201,672	6,001	207,673
Arising from dilution of interest in an existing subsidiary	-	-	-	-	-	-	-	43,014	43,014	35,986	79,000
Acquisition of additional interest in an existing subsidiary	-	-	-	-	-	-	-	938	938	(1,338)	(400)
Realisation of revaluation reserves	-	-	-	(3,342)	-	-	-	3,342	-	-	-
Sale of treasury shares [Note 25(e)]	-	24,472	-	-	-	6,338	-	-	30,810	-	30,810
Acquisition of treasury shares [Note 25(e)]	-	-	-	-	-	(2)	-	-	(2)	-	(2)
Cancellation of treasury shares [Note 25(e)]	(179)	(521)	179	-	-	521	-	-	-	-	-
Issuance of ordinary shares pursuant to Share Grant Plan [Note 24(b)]	179	2,338	-	-	-	-	-	-	2,517	-	2,517
Dividends (Note 31)	-	-	-	-	-	-	-	(49,689)	(49,689)	(570)	(50,259)
As at 31 July 2015	115,000	64,353	17,646	55,799	5,582	(6,039)	461	689,176	941,978	62,784	1,004,762

The accompanying Notes form an integral part of the Financial Statements.

Statements Of Changes In Equity

For the financial year ended 31 July 2015

The Company	Share capital RM'000	← Non-distributable reserves: Share premium RM'000	Capital redemption reserve RM'000	Property revaluation surplus RM'000	Other reserves RM'000	Treasury shares RM'000 →	Distributable reserve: Retained earnings RM'000	Total equity RM'000
As at 1 August 2013	115,000	38,064	3,967	3,211	68	(12,895)	120,636	268,051
Profit for the year	-	-	-	-	-	-	57,500	57,500
Other comprehensive loss for the year	-	-	-	-	-	-	(3,335)	(3,335)
Total comprehensive income for the year	-	-	-	-	-	-	54,165	54,165
Acquisition of treasury shares [Note 25(e)]	-	-	-	-	-	(1)	-	(1)
Dividends (Note 31)	-	-	-	-	-	-	(59,712)	(59,712)
As at 31 July 2014	115,000	38,064	3,967	3,211	68	(12,896)	115,089	262,503
As at 1 August 2014	115,000	38,064	3,967	3,211	68	(12,896)	115,089	262,503
Profit for the year	-	-	-	-	-	-	42,229	42,229
Other comprehensive income for the year	-	-	-	16,807	-	-	-	16,807
Total comprehensive income for the year	-	-	-	16,807	-	-	42,229	59,036
Sale of treasury shares [Note 25(e)]	-	24,472	-	-	-	6,338	-	30,810
Acquisition of treasury shares [Note 25(e)]	-	-	-	-	-	(2)	-	(2)
Cancellation of treasury shares [Note 25(e)]	(179)	(521)	179	-	-	521	-	-
Issuance of ordinary shares pursuant to Share Grant Plan [Note 24(b)]	179	2,338	-	-	-	-	-	2,517
Dividends (Note 31)	-	-	-	-	-	-	(49,689)	(49,689)
As at 31 July 2015	115,000	64,353	4,146	20,018	68	(6,039)	107,629	305,175

The accompanying Notes form an integral part of the Financial Statements.

Statements Of Cash Flows

For the financial year ended 31 July 2015

	The Group	
	2015 RM'000	**2014 RM'000**
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	220,962	186,266
Adjustments for:		
Depreciation of:		
Property, plant and equipment	43,764	39,469
Investment properties	71	71
Unrealised loss/(gain) on foreign exchange	8,427	(2,598)
Finance costs	8,255	7,143
Loss/(Gain) on disposal of property, plant and equipment	3,594	(190)
Provision for retirement benefits	2,565	2,553
Property, plant and equipment written off	434	2
Allowance for doubtful debts on trade receivables	325	13
Bad debts written off	30	227
Fair value gain on investment properties	(12,592)	-
Share of results of associate and joint venture	(4,239)	(3,789)
Interest income	(1,720)	(2,138)
Write back of inventories	(380)	(444)
Allowance for doubtful debts no longer required on trade receivables	(65)	(360)
Dividend income	(103)	(109)
Operating Profits Before Working Capital Changes	269,328	226,116
Movement in working capital:		
Increase in:		
Inventories	(2,575)	(23,088)
Property development costs	(40,096)	(13,150)
Receivables	(45,818)	(19,758)
Increase in payables	56,355	20,585
Cash Generated From Operations	237,194	190,705
Income tax paid	(45,379)	(37,287)
Income tax refunded	1,354	383
Retirement benefits obligations paid	(1,400)	-
Net Cash From Operating Activities	191,769	153,801

Continued

	The Group	
	2015 RM'000	**2014 RM'000**
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Interest received	1,720	2,138
Proceeds from disposal of property, plant and equipment	13,271	1,764
Dividend income received	283	199
Proceeds arising from dilution of interest in an existing subsidiary	79,000	-
Purchase of property, plant and equipment	(100,007)	(65,665)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	(36,120)
Purchase of land held for development	(21,897)	(28,500)
Purchase of other investments	(1,990)	-
Balance payment for acquisition of a subsidiary	-	(15,750)
Deposit paid for purchase of plant and equipment	(9,079)	(7,580)
Purchase of additional interest in an existing subsidiary	(400)	-
Net Cash Used In Investing Activities	(39,099)	(149,514)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from sale of treasury shares	30,810	-
(Repayment)/Proceeds from short-term borrowings	(113,279)	81,247
Net repayment to term loans	(7,460)	(89,232)
Dividends paid to:		
Shareholders of the Company	(47,054)	(57,501)
Non-controlling shareholders of a subsidiary	(570)	-
Finance costs paid	(8,255)	(7,211)
Acquisition of treasury shares	(2)	(1)
Net Cash Used in Financing Activities	(145,810)	(72,698)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	6,860	(68,411)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	83,766	152,177
CASH AND CASH EQUIVALENTS AT END OF YEAR (REPRESENTING CASH AND BANK BALANCES) (NOTE 23)	90,626	83,766

Statements Of Cash Flows

For the financial year ended 31 July 2015

	The Company	
	2015 RM'000	**2014 RM'000**
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	42,790	57,991
Adjustments for:		
Impairment loss on investment in a subsidiary	37,798	-
Provision for retirement benefits	412	1,112
Depreciation of property, plant and equipment	731	592
Finance costs	22	23
Unrealised loss on foreign exchange	-	6
Waiver of debts	(44,685)	-
Dividend income	(33,637)	(58,049)
Gain on disposal of investment in a subsidiary	(74)	-
Gain on disposal of property, plant and equipment	(70)	-
Interest income	(82)	(274)
Operating Profits Before Working Capital Changes	3,205	1,401
Movement in working capital:		
Decrease/(Increase) in receivables	33,248	(28,790)
Increase in payables	2,643	771
Cash Generated From/(Used in) Operations	39,096	(26,618)
Income tax paid	(521)	(474)
Income tax refunded	-	342
Net Cash From/(Used in) Operating Activities	38,575	(26,750)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Dividend income received	33,637	58,049
Interest received	82	274
Purchase of property, plant and equipment	(1,046)	(99)
Proceeds from disposal of property, plant and equipment	70	-
Acquisition of other investments	-	(55)
Incorporation of a new subsidiary	-	(33)
Proceeds from disposal of investment in a subsidiary	1,675	-
Additional investment in existing subsidiaries	(71,568)	-
Net Cash (Used in)/From Investing Activities	(37,150)	58,136
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from sale of treasury shares	30,810	-
Dividends paid	(47,054)	(57,501)
Finance costs paid	(22)	(23)
Acquisition of treasury shares	(2)	(1)
Net Cash Used In Financing Activities	(16,268)	(57,525)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(14,843)	(26,139)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	17,457	43,596
CASH AND CASH EQUIVALENTS AT END OF YEAR (REPRESENTING CASH AND BANK BALANCES) (NOTE 23)	2,614	17,457

The accompanying Notes form an integral part of the Financial Statements.

Notes To The Financial Statements

For the financial year ended 31 July 2015

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are investment holding, letting of properties and provision of management services. The principal activities of the subsidiaries, joint venture and associate are as disclosed in Notes 15, 17 and 18 respectively to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year, other than those stated in Note 15.

The Company's registered office and principal place of business are located at Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan.

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance on 2 November 2015.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and the Company have been prepared in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Adoption of New and Revised Financial Reporting Standards

In the current financial year, the Group and the Company have adopted all the new and revised Standards and Amendments issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to its operations and effective for annual periods beginning on or after 1 August 2014 as follows:

Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions)
Amendments to FRS 132	Financial Instruments: Presentation (Amendments relating to offsetting Financial Asset and Financial Liabilities)
Amendments to FRS 136	Impairment of Assets (Amendments relating to Recoverable Amount Disclosures for Non-Financial Assets)
Amendments to FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)
IC Int 21	Levies

Amendments to FRSs contained in the document entitled Annual Improvements to FRSs 2010 - 2012 Cycle
Amendments to FRSs contained in the document entitled Annual Improvements to FRSs 2011 - 2013 Cycle

On 19 November 2011, the MASB has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework"), a fully-IFRS compliant framework. Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities ("TEs").

TEs, being entities within the scope of MFRS 141 Agriculture and/or IC Interpretation 15: Agreements for the Construction of Real Estate, including its parents, significant investors and ventures were given a transitional period of two years, which allow these entities an option to continue with the FRS Framework. Following the announcement by the MASB on 7 August 2013, the transitional period for TEs has been extended for an additional year.

On 8 September 2015, the MASB announced that Entities other than Private Entities (non-private entities) and Private Entities that have in the alternative chosen to apply the FRS Framework shall comply with the MFRS Framework for annual periods beginning on or after 1 January 2018.

The Group and the Company being a TE has availed itself of this transitional arrangement and will continue to apply FRSs in the preparation of its financial statements. Accordingly, the Company will be required to prepare its first set of MFRS financial statements on 31 July 2019.

The adoption of these new and revised FRSs and Amendments did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company.

Continued

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

Standards and Interpretations in issue but not yet effective

At the date of authorisation for issue of these financial statements, the relevant new and revised Standards and Amendments which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below.

FRS 9	Financial Instruments[2]
FRS 14	Regulatory Deferral Accounts[1]
FRS 15	Revenue from Contracts with Customers[2]
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception[2]
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
Amendments to FRS 101	Disclosure Initiative[2]
Amendments to FRS 116 and FRS 138	Classification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to FRS 127	Equity Method in Separate Financial Statements[2]

Amendments to FRSs contained in the document entitled Annual Improvements to FRSs 2012 – 2014 Cycle[1]

[1] Effective for annual periods beginning on or after 1 January 2016
[2] Effective for annual periods beginning on or after 1 January 2018

The directors anticipate that the relevant Standards and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of the relevant Standards and Amendments will have no material impact on the financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the historical cost basis except as disclosed in the significant accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 2, leasing transaction that are within the scope of FRS 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 102 or value-in-use in FRS 136.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirely, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can assess at the measurement date;
- Level 2 are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Subsidiaries and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its investment with the investee; and
- has the ability to use its power to affect its returns

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meeting.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interest. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.

The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

Continued

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subsidiaries

Investments in subsidiaries which are eliminated on consolidation, are stated at cost less impairment losses, if any, in the Company's separate financial statements.

Business Combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interests were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3 (revised) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 112 *Income Taxes* and FRS 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as at the acquisition date that, if known, would have affected the amounts recognised as at that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as at the acquisition date - and is subject to a maximum of one year.

Investment in Associate and Joint Venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint venture are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with FRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

Continued

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investment in Associate and Joint Venture (cont'd)

The requirements of FRS 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 136 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FRS 139. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of associate or joint venture.

In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of the Group's interest in the associate or joint venture that are not related to the Group.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

<u>Sales of goods</u>

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

(a) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

(b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

(c) the amount of revenue can be measured reliably;

(d) it is probable that the economic benefits associated with the transaction will flow to the entity; and

(e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

<u>Rendering of services</u>

Revenue from rendering of management and technical services is recognised in profit or loss upon performance of services by reference to the contracts entered into.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition (cont'd)

Property development

Revenue from property development projects is accounted for using the percentage of completion method where the outcome of the development activity can be reliably estimated and is in respect of sales where agreements have been finalised by the end of the financial year. The percentage/stage of completion is determined by the surveys of physical work performed of the property development work.

Revenue from sale of completed properties is recognised upon the finalisation of sale and purchase agreements by the end of the financial year and when the risks and rewards of ownership have passed to the customers.

Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the Company and the amount of revenue can be measured reliably).

Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the Company and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income

Rental income is recognised on a straight line basis over the tenure of the rental period of properties.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign Currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Ringgit Malaysia ("RM"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Continued

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreign Currencies (cont'd)

Exchange differences are recognised in profit or loss in the period in which they arise except for:

(a) exchange differences arising on the retranslation of non-monetary items carried at fair value in respect of which gain and losses are recognised in other comprehensive income. For such non-monetary items, the exchange component of that gain or loss is also recognised in other comprehensive income;

(b) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

(c) exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

(d) exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore, forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in RM using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a joint venture that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or joint venture not involving a change of accounting basis), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Employee Benefits

Short-Term Employee Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and of the Company.

Post-Employment Benefits

The Group and the Company have various post-employment benefit schemes in accordance with local conditions and practices in the countries in which they operate. These benefit plans are either defined contribution or defined benefit plans.

(a) Defined Contribution Plans

The Group and the Company make statutory contributions to approved provident funds and the contributions are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(b) Defined Benefit Plan

The Group and the Company operate an unfunded final salary defined benefit plan covering eligible employees. The retirement benefit accounting cost is assessed using the Projected Unit Credit Method, with actuarial valuation being carried out every five years. The latest actuarial valuation was undertaken in August 2014.

Continued

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Employee Benefits (cont'd)

(b) Defined Benefit Plan (cont'd)

The retirement benefit obligation is measured at the present value of the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability.

The Group adopts the option offered by the Amendments to FRS 119, *Employee Benefits*, to recognise through other comprehensive income all actuarial gains and losses.

Share-based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest with a corresponding increase in equity.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment property that is measured using the fair value model, the carrying amount of such property is presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors of the Group have reviewed the Group's investment property portfolio and concluded that none of the Group's investment property is held under a business model whose objectives is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to FRS 112 is not rebutted. As a result, the Group has recognised deferred taxes on changes in fair value of the investment property based on the expected rate that would apply on disposal of the investment property.

Continued

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Taxation (cont'd)

Deferred Tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle its current tax assets and liabilities on a net basis.

Current and Deferred Tax for the Period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss.

Impairment of Non-financial Assets

The carrying amounts of non-current assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amounts are estimated. An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or its cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Property, Plant and Equipment

All items of property, plant and equipment are initially measured at cost except for freehold land and buildings. Cost includes expenditure that is directly attributable to the acquisition of the asset. Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the reporting date.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that future economic benefits associated with the cost will flow to the Group and the Company and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group and the Company is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Continued

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment (cont'd)

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation period and rates are as follows:

Buildings	2% - 7%
Long-term leasehold land	46 to 99 years
Staff quarters and apartment	2%
Plants and machinery, tools and equipment	5% - 20%
Office equipment, furniture and fittings	5% - 33%
Motor vehicles	20% - 25%

Freehold land is not depreciated. Capital work-in-progress represents factory buildings and machineries under installation and is stated at cost. Capital work-in-progress is not depreciated until such time when the asset is available for use.

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

A gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss.

Land held for property development and property development cost

Land and development expenditure is classified as property development costs under current assets when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

Property development revenue is recognised for property development projects sold using the percentage of completion method, by reference to the stage of completion of the project development projects at the end of the reporting period as determined by the surveys of physical work performed of the property development work.

When the outcome of a property development activity cannot be estimated reliably, property development revenue is recognised to the extent of property development costs incurred that are probable of recovery.

Any anticipated loss on property development project (including costs to be incurred over the defects liability period), is recognised as an expense immediately as foreseeable losses.

Accrued billings represent the excess of property development revenue recognised in profit or loss over the billings to purchasers while progress billings represent the excess of billings to purchasers over property development revenue recognised in profit or loss.

Land held for development and costs attributable to the development activities which are held for future development where no significant development has been undertaken is stated at cost less impairment losses (if any). Such assets are transferred to property development activities when significant development has been undertaken and the development is expected to be completed within the normal operating cycle.

Investment Properties

Investment properties carried at fair value

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

Continued

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investment Properties (cont'd)

Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised in other comprehensive income and accumulated in equity as revaluation reserve. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its deemed cost for subsequent accounting.

Determination of fair value

An external, independent valuation firm, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's and the Company's investment property portfolio every year.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a weighted average basis.
- Finished goods and work-in-progress: cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average basis.
- Unsold completed units: cost of construction materials and raw materials comprises costs of purchase and other direct charges. The cost of completed properties, determined on specific identification basis, comprise cost of land, construction and appropriate development expenditure.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, when it is probable that the Group and the Company will be required to settle the obligation, and a reliable estimate of the amount can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed by the chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Continued

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Contingent Liabilities and Contingent Assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

Financial Instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

Where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, such financial assets are recognised and derecognised on trade date.

Financial instruments are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

(i) Financial Assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" (FVTPL), "held-to-maturity" investments, "available-for-sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

<u>Financial assets at FVTPL</u>

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 139 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Continued

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (cont'd)

(i) Financial Assets (cont'd)

Financial assets at FVTPL (cont'd)

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statements of profit or loss and other comprehensive income.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at FVTPL. All AFS assets are measured at fair value at the end of the reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of the reporting period.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable bonds classified as AFS and finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Continued

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (cont'd)

(i) Financial Assets (cont'd)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period range from 14 to 120 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(ii) Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities "at FVTPL" or "other financial liabilities".

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

Continued

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ii) Financial Liabilities and Equity Instruments (cont'd)

Financial liabilities at FVTPL (cont'd)

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 139 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of profit or loss and other comprehensive income.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

(iii) Derivative Financial Instruments

The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate, interest rate and commodity price risk.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Continued

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Statements of Cash Flows

The Group and the Company adopt the indirect method in the preparation of statements of cash flows.

Cash and cash equivalents comprise cash and bank balances, term deposits and other short-term, highly liquid investments that are readily convertible into cash with insignificant risk of changes in value, against which bank overdrafts, if any, are deducted.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 3 above, the directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amount recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities of the Group and of the Company within the next financial year is discussed below.

Depreciation of Property, Plant and Equipment

The Group and the Company estimate the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimate due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

Allowance for Impairment Losses of Trade Receivables

The policy for allowance for impairment losses of trade receivables of the Group is based on the evaluation of collectability and on management's estimate. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of the customer. If the financial condition of the customer were to deteriorate, resulting in an impairment of its ability to make payments, additional allowance may be required.

Property Development Projects

The stage of completion is determined by the surveys of physical work performed of the property development work. Estimated losses are recognised in full when determined. Property development projects and expenses estimates are reviewed and revised periodically as work progresses and as variation orders are approved.

Significant judgement is required in determining the stage of completion, the extent of the property development projects incurred, the estimated total property development revenue and costs as well as the recoverability of the project undertaken. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. If the Group is unable to make reasonably dependable estimates, the Group would not recognise any profit before a project is completed, but would recognise a loss as soon as the loss becomes evident.

Adjustments based on the percentage-of-completion method are reflected in property development revenue in the reporting period. To the extent that these adjustments result in a reduction or elimination of previously reported property development revenue and costs, the Group recognises a charge or credit against current earnings and amounts in prior periods, if any, are not restated.

Fair Value of Land and Buildings and Investment Property

The directors use their judgement in selecting and applying an appropriate valuation technique, by relying on the work of independent firm of valuers, for land and buildings and investment property stated at fair value. Fair value is determined using open-market value based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

Continued

5. REVENUE

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Sale of goods	1,285,958	1,192,210	-	-
Sale of properties	514,941	397,499	-	-
Rental income	562	534	4	6
Management fees from associate	120	120	120	120
Gross dividends from:				
Subsidiaries	-	-	33,354	57,850
Associate	-	-	180	90
Unquoted shares outside Malaysia	103	109	103	109
Project management income from subsidiaries	-	-	14,772	23,382
Technical assistance fees from subsidiary	-	-	-	1,349
	1,801,684	1,590,472	48,533	82,906

6. COST OF SALES

	The Group	
	2015 RM'000	2014 RM'000
Cost of inventories sold	1,144,470	1,072,874
Property development costs [Note 16(b)]	297,985	225,277
	1,442,455	1,298,151

7. FINANCE COSTS

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest expenses on:				
Term loans	3,609	4,934	-	-
Revolving credits	2,143	1,445	22	23
Onshore foreign currency loan	992	727	-	-
Bankers acceptances	1,451	105	-	-
Trust receipts	60	-	-	-
	8,255	7,211	22	23
Less: Amount capitalised in land held for property development (Note 16)	-	(68)	-	-
Total finance costs	8,255	7,143	22	23

Continued

8. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting) the following:

	The Group		The Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Employee benefits expense (Note 9)	97,786	91,072	4,635	15,240
Depreciation of:				
Property, plant and equipment (Note 13)	43,764	39,469	731	592
Investment properties (Note 14)	71	71	-	-
Realised loss/(gain) on foreign exchange	18,802	(1,232)	(117)	(3)
Directors' remuneration (Note 10)	12,139	11,405	5,181	5,354
Unrealised loss/(gain) on foreign exchange	8,427	(2,598)	-	6
Loss/(Gain) on disposal of property, plant and equipment	3,594	(190)	(70)	-
Rental of:				
Land and buildings	580	608	-	-
Machinery, equipment and motor vehicles	722	593	-	-
Property, plant and equipment written off	434	2	-	-
Auditors' remuneration:				
Statutory audit	404	323	27	26
Other services	51	88	51	88
Allowance for doubtful debts on trade receivables (Note 21)	325	13	-	-
Bad debts written off	30	227	-	-
Fair value gain on investment properties	(12,592)	-	-	-
Rental income	(2,507)	(2,379)	-	-
Interest income	(1,720)	(2,138)	(82)	(274)
Write back of inventories	(380)	(444)	-	-
Allowance for doubtful debts no longer required (Note 21)	(65)	(360)	-	-
Impairment of investment (Note 15)	-	-	37,798	-
Waiver of debts	-	-	(44,685)	-
Gain on disposal of investment in a subsidiary	-	-	(74)	-

9. EMPLOYEE BENEFITS EXPENSE

	The Group		The Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Wages, salaries and other emoluments	86,693	82,576	2,341	13,144
Contributions to defined contribution plan	5,177	5,085	470	945
Social security contributions	834	858	22	39
Increase in liability for defined benefit plan (Note 27)	2,565	2,553	412	1,112
Share grant plan [Note 24(b)]	2,517	-	1,390	-
	97,786	91,072	4,635	15,240

Continued

10. DIRECTORS' REMUNERATION

The details of remuneration receivable by directors of the Group and of the Company, during the financial year are as follows:

	The Group		The Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Directors of the Company				
Executive:				
Salaries and other emoluments	10,393	9,730	4,465	4,546
Fees	38	50	38	50
Defined contribution plan	1,562	1,470	532	603
	11,993	11,250	5,035	5,199
Non-executive:				
Fees	146	155	146	155
	12,139	11,405	5,181	5,354

The number of directors of the Company whose total remuneration during the financial year fall within the following bands is as follows:

	Number of directors	
	2015	**2014**
Executive directors:		
RM1,550,001 - RM1,600,000	-	1
RM1,700,001 - RM1,750,000	1	-
RM9,650,001 - RM9,700,000	-	1
RM10,250,001 - RM10,300,000	1	-
Non-executive directors:		
Below RM50,000	7	6

11. INCOME TAX EXPENSE

11.1 Income Tax Recognised in Profit or Loss

	The Group		The Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Income tax expense:				
Malaysian income tax	43,980	35,340	284	298
Foreign tax	2,315	1,308	-	-
Under/(Over)provision in prior years	993	(274)	277	(117)
	47,288	36,374	561	181
Real property gains tax	1,554	-	-	-
	48,842	36,374	561	181
Deferred tax (Note 28):				
Current year	10,064	(834)	272	718
Overprovision in prior years	(40)	(775)	(272)	(408)
	10,024	(1,609)	-	310
	58,866	34,765	561	491

Continued

11. INCOME TAX EXPENSE (CONT'D)

11.1 Income Tax Recognised in Profit or Loss (cont'd)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The below reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

The Finance (No. 2) Act 2014 has gazetted the Income Tax Act 1967 to reduce the Malaysian corporate income tax rate from 25% to 24% with effect from year of assessment 2016. The real property gains tax ("RPGT") was also revised to 30% for disposal within the first three years, 20% within the fourth year, 15% within the fifth year and 5% from sixth year onwards, on gains from the disposal of real property effective 1 January 2014. Accordingly, the applicable tax rates to be used for the measurement of any applicable deferred tax for entities in Malaysia will be the expected rates.

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax	220,962	186,266	42,790	57,991
Tax at statutory tax rate of 25% (2014: 25%)	55,240	46,567	10,697	14,498
Tax effects of:				
Non-taxable income	(5,169)	(2,165)	(10,174)	(14,580)
Different tax rates in other countries	(569)	(276)	-	-
Share of results of associate and joint venture	(1,060)	(947)	-	-
Non-deductible expenses	2,518	3,151	33	1,102
Utilisation of reinvestment allowances	(7,154)	(10,182)	-	-
Utilisation of capital allowances, reinvestment allowances and other deductible temporary differences previously not recognised	(4,838)	(619)	-	(4)
Deferred tax assets not recognised	17,391	285	-	-
Real property gains tax	1,554	-	-	-
Under/(Over)provision in prior years:				
Current tax	993	(274)	277	(117)
Deferred tax	(40)	(775)	(272)	(408)
	58,866	34,765	561	491

11.2 Income Tax Recognised in Other Comprehensive Income

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deferred tax:				
Arising on income and expenses recognised in other comprehensive income:				
Revaluation of property, plant and equipment	11,461	-	5,308	-

Continued

12. EARNINGS PER ORDINARY SHARE

Basic earnings per share

The calculation of basic earnings per share ("EPS") is based on the consolidated profit attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year as follows:

	The Group	
	2015 RM'000	**2014 RM'000**
Profit attributable to owners of the Company	158,190	148,450

	The Group	
	2015 Units'000	**2014 Units'000**
Weighted average number of ordinary shares in issue	224,615	221,155

	The Group	
	2015	**2014**
Basic EPS (sen)	70	67

Diluted earnings per share

The basic and diluted earnings per share are the same as the Company has no dilutive potential ordinary shares.

Continued

13. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Staff quarters and apartment RM'000	Plants and machinery, tools and equipment RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Valuation/Cost									
As of 1 August 2013	84,998	53,200	123,998	1,006	563,742	29,202	10,340	17,728	884,214
Additions	-	-	731	3	55,484	1,010	38	11,829	69,095
Disposals	-	-	-	-	(9,442)	(2)	(1,197)	-	(10,641)
Written off	-	-	-	-	(74)	(64)	-	-	(138)
Reclassification	-	-	-	-	25,147	-	-	(25,147)	-
Acquisition of subsidiaries	26,497	-	5,639	445	21,571	1,295	551	-	55,998
Exchange differences	-	(148)	(97)	-	(205)	(3)	(4)	(1)	(458)
As of 31 July 2014	111,495	53,052	130,271	1,454	656,223	31,438	9,728	4,409	998,070
Accumulated depreciation									
As of 1 August 2013	-	6,450	27,389	223	329,316	22,504	6,983	-	392,865
Charge for the year	-	666	2,518	25	33,696	1,696	868	-	39,469
Disposals	-	-	-	-	(8,292)	(2)	(773)	-	(9,067)
Written off	-	-	-	-	(72)	(64)	-	-	(136)
Acquisition of subsidiaries	-	-	1,296	10	20,420	951	428	-	23,105
Exchange differences	-	(16)	(36)	-	(209)	(2)	(3)	-	(266)
As of 31 July 2014	-	7,100	31,167	258	374,859	25,083	7,503	-	445,970

Continued

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Staff quarters and apartment RM'000	Plants and machinery, tools and equipment RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Valuation/Cost									
As of 1 August 2014	111,495	53,052	130,271	1,454	656,223	31,438	9,728	4,409	998,070
Additions	-	-	1,311	-	59,070	1,973	3,009	34,644	100,007
Disposals	-	(3,429)	(6,308)	-	(39,635)	(120)	(3,157)	-	(52,649)
Written off	-	-	-	-	(13,973)	(2,260)	-	-	(16,233)
Reclassification	-	-	3,842	-	567	-	-	(4,409)	-
Revaluation	286	41,553	6,155	-	-	-	-	-	47,994
Elimination of accumulated depreciation on revaluation	-	(5,921)	(28,801)	-	(613)	-	-	-	(35,335)
Exchange differences	-	806	1,624	-	5,261	43	92	-	7,826
As of 31 July 2015	111,781	86,061	108,094	1,454	666,900	31,074	9,672	34,644	1,049,680
Accumulated depreciation									
As of 1 August 2014	-	7,100	31,167	258	374,859	25,083	7,503	-	445,970
Charge for the year	-	638	2,726	29	37,528	1,800	1,043	-	43,764
Disposals	-	(883)	(2,809)	-	(29,376)	(87)	(2,629)	-	(35,784)
Written off	-	-	-	-	(13,556)	(2,243)	-	-	(15,799)
Elimination of accumulated depreciation on revaluation	-	(5,921)	(28,801)	-	(613)	-	-	-	(35,335)
Exchange differences	-	244	513	-	3,239	36	41	-	4,073
As of 31 July 2015	-	1,178	2,796	287	372,081	24,589	5,958	-	406,889
Net book value									
As of 31 July 2015	111,781	84,883	105,298	1,167	294,819	6,485	3,714	34,644	642,791
As of 31 July 2014	111,495	45,952	99,104	1,196	281,364	6,355	2,225	4,409	552,100

Continued

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	Leasehold land RM'000	Buildings RM'000	Staff quarters and apartment RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
Valuation/Cost						
As of 1 August 2013	16,558	11,019	481	2,683	1,046	31,787
Additions	-	-	-	99	-	99
As of 31 July 2014	16,558	11,019	481	2,782	1,046	31,886
Accumulated depreciation						
As of 1 August 2013	1,846	2,039	116	1,928	1,042	6,971
Charge for the year	183	220	10	178	1	592
As of 31 July 2014	2,029	2,259	126	2,106	1,043	7,563
Valuation/Cost						
As of 1 August 2014	16,558	11,019	481	2,782	1,046	31,886
Additions	-	-	-	40	1,006	1,046
Disposals	-	-	-	-	(1,039)	(1,039)
Revaluation	17,654	4,461	-	-	-	22,115
Elimination of accumulated depreciation on revaluation	(2,212)	(2,480)	-	-	-	(4,692)
As of 31 July 2015	32,000	13,000	481	2,822	1,013	49,316
Accumulated depreciation						
As of 1 August 2014	2,029	2,259	126	2,106	1,043	7,563
Charge for the year	183	221	10	182	135	731
Disposals	-	-	-	-	(1,039)	(1,039)
Elimination of accumulated depreciation on revaluation	(2,212)	(2,480)	-	-	-	(4,692)
As of 31 July 2015	-	-	136	2,288	139	2,563
Net book value						
As of 31 July 2015	32,000	13,000	345	534	874	46,753
As of 31 July 2014	14,529	8,760	355	676	3	24,323

Continued

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Note

(i) The freehold land and buildings of the Group with carrying value of RM128,486,000 (2014: RM125,742,000) have been charged as securities for borrowings [Note 26(a)].

(ii) If the revalued land and buildings were measured using the cost model, the carrying amounts would have been as follows:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Freehold land	111,423	198	-	-
Leasehold land	27,517	16,795	4,594	4,775
Buildings	89,364	40,738	816	831
	228,304	57,731	5,410	5,606

Freehold, leasehold land and buildings of the Group and the Company were revalued in July 2015 by accredited professional valuers, based on open market value method. The fair value is categorised as Level 3 of the fair value hierarchy with no transfer between Levels 1 and 2 during the year.

14. INVESTMENT PROPERTIES

The Group	Freehold land RM'000	Building RM'000	Total RM'000
As of 1 August 2013	1,631	2,919	4,550
Charge during the year	-	(71)	(71)
As of 31 July 2014	1,631	2,848	4,479
As of 1 August 2014	1,631	2,848	4,479
Charge during the year	-	(71)	(71)
Gain on property revaluation recognised in income statement	10,369	2,223	12,592
As of 31 July 2015	12,000	5,000	17,000

The revaluation of the investment properties has been performed by an accredited independent valuer in the financial year ended 31 July 2015, based on comparison method, resulting in a gain before tax of RM12,592,000 arising from the increase in the fair value of the investment properties. The fair value is categorised as Level 3 of the fair value hierarchy with no transfer between Levels 1 and 2 during the year.

Qualitative information about fair value measurement of investment properties performed using significant unobservable inputs (Level 3) as of 31 July 2015:

Valuation Technique	Significant Unobservable Inputs	Range
Comparison method of valuation	Difference in size, location, timing of transaction, freehold/leasehold tenure and improvement on land	5% to 50%

The property rental income earned by the Group from its investment properties, all of which are leased out under operating leases, amounted to RM558,000 (2014: RM528,000). Direct operating expenses arising from the investment properties amounted to RM113,000 (2014: RM159,000).

Continued

15. INVESTMENT IN SUBSIDIARIES

	The Company	
	2015 RM'000	2014 RM'000
Unquoted shares, at cost:		
At beginning of year	224,726	224,693
Additions	71,568	33
Disposal	(1,601)	-
Impairment (Note 8)	(37,798)	-
At end of year	256,895	224,726

The additions in the current year is in relation to the additional investments in the existing subsidiaries, Scientex Packaging Film Sdn. Bhd. and Scientex International (S) Pte. Ltd..

During the financial year, the Company disposed 100% of its interest in Scientex International (S) Pte. Ltd. for a sale consideration of RM1,675,000 to Scientex Packaging Film Sdn. Bhd., a wholly owned subsidiary of the Company.

Details of the Company's subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest and voting power held by the Group 2015 %	2014 %	Principal Activities
Scientex Quatari Sdn. Bhd. ("SQSB")	Malaysia	100	100	Investment holding, property investment and development
Scientex Industries Group Sdn. Bhd. ("SIGSB")	Malaysia	100	100	Manufacturing and distribution of polyvinyl chloride ("PVC") films and sheets, PVC leather cloth and PVC sheeting, thermoplastic olefins/ polypropylene ("PP") and PVC/PP foam skin materials for automotive interior, and trading of packaging related materials
Scientex Packaging Film Sdn. Bhd. ("SPFSB")[1]	Malaysia	100	100	Manufacturing of stretch film and investment holding
Scientex Management Sdn. Bhd. ("SMSB")	Malaysia	100	100	Rendering of management services
Scientex Polymer Sdn. Bhd. ("SPSB")	Malaysia	100	100	Investment holding
Scientex Solar Sdn. Bhd. ("SSSS")[2]	Malaysia	100	100	Dormant
Scientex Tsukasa (Vietnam) Co., Ltd.*	Vietnam	60	60	Manufacturing of PP woven bags, fabric, bulk bags and polyethylene tying tapes
Subsidiaries of SQSB				
Scientex Heights Sdn. Bhd.	Malaysia	100	100	Property development
Scientex Park (M) Sdn. Bhd.	Malaysia	100	100	Property investment and development
Texland Sdn. Bhd.	Malaysia	90	90	Property development
Scientex (Skudai) Sdn. Bhd.	Malaysia	100	100	Property development
Scientex (Senai) Sdn. Bhd.	Malaysia	100	100	Property development

Continued

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the Company's subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest and voting power held by the Group 2015 %	2014 %	Principal Activities
Subsidiary of SIGSB				
PT. Scientex Indonesia	Indonesia	100	100	Sales and marketing of laminating polyurethane adhesives
Subsidiaries of SPFSB				
Pan Pacific Straptex Sdn. Bhd. ("PPS")[3]	Malaysia	70	65	Manufacturing of PP strapping band
Scientex Great Wall Sdn. Bhd. ("SGW")[4]	Malaysia	90	100	Manufacturing of plastic packaging products
Scientex International (S) Pte. Ltd. ("SIS")**[5]	Singapore	100	100	Procurement, distribution and trading of resins, chemicals, films and other packaging related products
Great Wall Plastic Industries Berhad ("GWPI")	Malaysia	100	100	Dormant
Scientex Advance Sdn. Bhd. ("SASB")*	Malaysia	100	100	Dormant
Subsidiary of SGW				
Scientex Distribution Sdn. Bhd. (formerly known as Scientex Great Wall Marketing Sdn. Bhd.) ("SDSB")[6]	Malaysia	90	100	Dormant
Subsidiary of SMSB				
KC Contract Sdn. Bhd.	Malaysia	65	65	Property construction
Subsidiaries of SPSB				
Woventex Sdn. Bhd. ("WSB")[2]	Malaysia	100	100	Dormant
Scientex Polymer (Vietnam) Co., Ltd. ("SPV")*[7]	Vietnam	100	100	Dormant

* *Audited by other auditors.*

** *Audited by member firm of Deloitte Touche Tohmatsu.*

1 *The Company subscribed additional 70,000,000 ordinary shares of RM1.00 each in SPFSB for a total consideration of RM70,000,000.*

2 *SSSS and WSB commenced the procedure of striking-off of companies' name under Section 308 of the Companies Act, 1965.*

3 *SPFSB acquired additional 200,000 ordinary shares of RM1.00 each in PPS for a consideration of RM400,000.*

4 *SPFSB subscribed additional 60,000,000 ordinary shares of RM1.00 each in SGW for a consideration of RM154,800,000. Subsequently, Futamura Chemical Co., Ltd. ("Futamura") and SPFSB each subscribed 5,000,000 ordinary shares of RM1.00 each in SGW for a consideration of RM40,000,000 respectively. SPFSB then sold 5,000,000 ordinary shares of RM1.00 each in SGW to Futamura for a consideration of RM40,000,000.*

5 *The Company subscribed additional 490,000 ordinary shares of USD1.00 each in SIS for a consideration of USD490,000, equivalent to RM1,568,000. Subsequently, SPFSB acquired the entire 500,000 ordinary shares of USD1.00 each in SIS from the Company for a consideration of USD500,000, equivalent to RM1,675,000.*

6 *SGW acquired the entire 2 ordinary shares of RM1.00 in SDSB from GWPI for a consideration of RM2.00.*

7 *SPV commenced the procedure of dissolution in Vietnam and shall be dissolved upon discharge of all debts and receipt of an official decision for dissolution from the relevant authorities.*

Continued

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

Acquisition of subsidiary

During the financial year 2014, SPFSB acquired 100% equity interest in SASB for a total purchase consideration of RM39,000,000. The acquisition was completed on 13 February 2014. Subsequent to the acquisition, SASB became a wholly-owned subsidiary of SPFSB.

From the date of acquisition, SASB contributed revenue of RM12,817,000 and net profit of RM205,000 to the Group's results during the financial year ended 31 July 2014. On 1 May 2014, the business, assets and liabilities of SASB and GWPI have been transferred to SGW, following an internal reorganisation. If the acquisition of SASB had taken place at the beginning of the financial year, the Group's revenue and profit for the year 2014 would have been RM1,613,162,000 and RM152,423,000, respectively.

The assets and liabilities arising from the acquisition in the financial year ended 31 July 2014 were as follows:

	Carrying amounts 2014 RM'000	Fair values 2014 RM'000
Property, plant and equipment	11,820	32,893
Inventories	4,747	4,747
Trade receivables	9,951	9,951
Other receivables, deposits and prepaid expenses	13,573	13,573
Cash and bank balances	2,880	2,880
Trade payables	(5,561)	(5,561)
Other payables and accrued expenses	(1,257)	(1,257)
Loans and borrowings	(15,737)	(15,737)
Income tax payable	(493)	(493)
Deferred tax liabilities (Note 28)	(369)	(369)
Retirement benefits obligations	(1,627)	(1,627)
Net identifiable assets	17,927	39,000
Fair value of net identifiable assets, representing cost of business combinations		39,000

Cash out flow on acquisition was as follows:

	2014 RM'000
Purchase consideration satisfied by cash	39,000
Cash and cash equivalents of subsidiary acquired	(2,880)
Net cash outflow of the Group	36,120

Continued

16. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land held for property development

The Group	Freehold land RM'000	Leasehold land RM'000	Total RM'000
Cost			
As at 1 August 2013	166,077	88,733	254,810
Acquisition of land	28,500	-	28,500
Costs incurred during the year	23,064	12,997	36,061
Transfer to property development costs [Note 16(b)]	(49,816)	(9,154)	(58,970)
As at 31 July 2014	167,825	92,576	260,401
As at 1 August 2014	167,825	92,576	260,401
Costs incurred during the year	39,092	4,383	43,475
Transfer to property development costs [Note 16(b)]	(8,951)	(26,309)	(35,260)
As at 31 July 2015	197,966	70,650	268,616

(b) Property development costs

The Group	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Cumulative property development costs				
As at 1 August 2013	32,476	37,634	176,282	246,392
Costs incurred during the year	-	-	207,276	207,276
Transfer from land held for property development [Note 16(a)]	49,816	9,154	-	58,970
Reversal of completed projects	(20,522)	(18,100)	(151,582)	(190,204)
Unsold units transferred to inventories	(840)	(289)	(3,713)	(4,842)
As at 31 July 2014	60,930	28,399	228,263	317,592
Cumulative costs recognised in profit or loss				
As at 1 August 2013	(15,066)	(26,334)	(136,501)	(177,901)
Recognised during the year (Note 6)	(23,754)	(14,823)	(186,700)	(225,277)
Reversal of completed projects	20,522	18,100	151,582	190,204
As at 31 July 2014	(18,298)	(23,057)	(171,619)	(212,974)
Property development costs at 31 July 2014	42,632	5,342	56,644	104,618

Continued

16. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)

(b) Property development costs (cont'd)

The Group	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Cumulative property development costs				
As at 1 August 2014	60,930	28,399	228,263	317,592
Costs incurred during the year	-	-	303,847	303,847
Transfer from land held for property development [Note 16(a)]	8,951	26,309	-	35,260
Reversal of completed projects	(22,803)	(12,140)	(125,053)	(159,996)
Unsold units transferred to inventories	(197)	(905)	(8,139)	(9,241)
As at 31 July 2015	46,881	41,663	398,918	487,462
Cumulative costs recognised in profit or loss				
As at 1 August 2014	(18,298)	(23,057)	(171,619)	(212,974)
Recognised during the year (Note 6)	(44,749)	(5,559)	(247,677)	(297,985)
Reversal of completed projects	22,803	12,140	125,053	159,996
As at 31 July 2015	(40,244)	(16,476)	(294,243)	(350,963)
Property development costs at 31 July 2015	6,637	25,187	104,675	136,499

The freehold land under development with carrying amount of RM65,823,000 (2014: RM52,586,000) has been charged as securities for borrowings (Note 26).

Included in the land held for development is interest capitalised of Nil (2014: RM68,000) (Note 7).

17. INVESTMENT IN JOINT VENTURE

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
In Malaysia:				
Unquoted shares, at cost	22,500	22,500	22,500	22,500
Shares of post-acquisition reserves	3,655	2,840	-	-
	26,155	25,340	22,500	22,500
Shares of post-acquisition reserves:				
At beginning of year	2,840	393	-	-
Share of results	815	2,447	-	-
At end of year	3,655	2,840	-	-

Continued

17. INVESTMENT IN JOINT VENTURE (CONT'D)

Details of the joint venture are as follows:

Name of Joint Venture	Country of Incorporation	Proportion of ownership interest and voting power held by the Group 2015 %	2014 %	Principal Activities
MCTI Scientex Solar Sdn. Bhd. ("MSS")	Malaysia	50	50	Manufacturing and distribution of ethylene-vinyl acetate encapsulating materials for photovoltaic solar modules

MSS has a financial year end of 30 June. For the purpose of applying the equity method of accounting, the financial statements of MSS for the year ended 31 July 2015 have been examined.

At the Group level, the carrying value of joint venture represents its share of net assets in the joint venture at end of the reporting period. Summarised financial information in respect of the Group's joint venture is as follows:

	The Group	
	2015 RM'000	2014 RM'000
Assets and Liabilities		
Current assets	25,469	20,856
Non-current assets	50,121	59,644
Total assets	75,590	80,500
Current liabilities	(5,855)	(6,803)
Non-current liabilities	(17,425)	(23,017)
Total liabilities	(23,280)	(29,820)
Results		
Revenue	45,572	71,833
Profit for the year	1,630	4,894

18. INVESTMENT IN ASSOCIATE

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
In Malaysia:				
Unquoted shares, at cost	3,000	3,000	3,000	3,000
Share of post-acquisition reserves	12,369	9,125	-	-
	15,369	12,125	3,000	3,000
Share of post-acquisition reserves:				
At beginning of year	9,125	7,873	-	-
Share of results	3,424	1,342	-	-
Dividend received (Note 5)	(180)	(90)	-	-
At end of year	12,369	9,125	-	-

Continued

18. INVESTMENT IN ASSOCIATE (CONT'D)

Details of the associate are as follows:

Name of Associate	Country of Incorporation	Proportion of ownership interest and voting power held by the Group 2015 %	2014 %	Principal Activities
Cosmo Scientex (M) Sdn. Bhd. ("CSM")*	Malaysia	30	30	Manufacturing and trading of polyurethane adhesive for flexible packaging applications

* *Audited by other auditors.*

CSM has a financial year end of 31 December. For the purpose of applying the equity method of accounting, the unaudited financial statements of CSM for the year ended 31 July 2015 have been used.

At the Group level, the carrying value of associate represents its share of net assets in the associate at end of the reporting period. Summarised financial information in respect of the Group's associate is as follows:

	The Group	
	2015 RM'000	2014 RM'000
Assets and Liabilities		
Current assets	63,039	57,079
Non-current assets	20,111	20,587
Total assets	83,150	77,666
Current liabilities	(23,643)	(26,774)
Non-current liabilities	(8,276)	(10,476)
Total liabilities	(31,919)	(37,250)
Results		
Revenue	152,983	134,775
Profit for the year	11,415	4,473

19. OTHER INVESTMENTS

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Available-for-sale assets:				
At cost:				
Unquoted equity instruments outside Malaysia	4,548	4,548	4,548	4,548
Unquoted equity instruments in Malaysia	2,188	198	198	198
Club memberships	447	447	198	198
	7,183	5,193	4,944	4,944
Less: Accumulated impairment loss - club memberships	(101)	(101)	(61)	(61)
	7,082	5,092	4,883	4,883

Continued

20. INVENTORIES

	The Group	
	2015 RM'000	2014 RM'000
At cost:		
Properties held for sale	16,282	11,786
Raw materials	52,193	50,318
Work-in-progress	9,890	11,925
Finished products	30,902	32,319
	109,267	106,348
At net realisable value:		
Properties held for sale	2,226	2,226
Raw materials	98	210
Finished products	362	214
	2,686	2,650
	111,953	108,998

21. TRADE RECEIVABLES

	The Group	
	2015 RM'000	2014 RM'000
Third parties	266,481	222,953
Associate and joint venture (Note 34)	123	60
	266,604	223,013
Less: Allowance for doubtful debts - third parties	(717)	(958)
Trade receivables, net	265,887	222,055

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

Trade receivables are non-interest bearing. The average credit terms for trade receivables of the Group range from 14 to 120 days (2014: 14 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Amounts due from associate and joint venture are unsecured, non-interest bearing and have a credit terms of 60 days (2014: 60 days).

Included in trade receivables are retention sums on property development activities amounting to RM6,725,000 (2014: RM5,112,000).

The table below is an analysis of trade receivables at the end of the reporting period:

	The Group	
	2015 RM'000	2014 RM'000
Neither past due nor impaired	250,422	217,692
Past due but not impaired	15,465	4,363
Past due and impaired	717	958
	266,604	223,013

Continued

21. TRADE RECEIVABLES (CONT'D)

	The Group 2015 RM'000	The Group 2014 RM'000
Ageing of past due but not impaired		
1 to 30 days	12,129	3,838
31 to 60 days	2,658	312
61 to 90 days	520	192
More than 120 days	158	21
	15,465	4,363
Ageing of past due and impaired		
More than 120 days	717	958

Movement in allowance for doubtful debts

The trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment is as follows:

	The Group 2015 RM'000	The Group 2014 RM'000
At beginning of year	958	1,346
Allowance for doubtful debts (Note 8)	325	13
Written off during the year	(501)	(41)
Reversal of allowance for doubtful debts (Note 8)	(65)	(360)
At end of year	717	958

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM15,465,000 (2014: RM4,363,000) that are past due at the reporting date but not impaired. The Group does not hold any collateral over these balances. These relate to creditworthy customers that the Group continues to trade actively with.

Receivables that are impaired

Trade receivables that are impaired at the reporting date relate to debtors that are in financial difficulties or in dispute and have defaulted on payments. The Group does not hold any collateral over these balances.

In determining the recoverability of the trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

The currency profile of trade receivables of the Group is as follows:

	The Group 2015 RM'000	The Group 2014 RM'000
Ringgit Malaysia	184,792	155,827
United States Dollar	81,812	67,186
	266,604	223,013

Continued

22. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Amounts due from subsidiaries (Note 34)	-	-	2,464	35,384
Amounts due from associate and joint venture (Note 34)	299	392	-	9
Deposits	5,949	5,214	48	47
Deposit on purchase of property, plant and machinery	16,659	7,580	-	-
Deposit on purchase of land held for development	21,897	-	-	-
Prepaid expenses	5,136	3,675	32	363
Other receivables	5,388	3,197	17	7
	55,328	20,058	2,561	35,810

23. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances	88,020	61,211	163	171
Short-term deposits with:				
Licensed banks	1,600	473	1,600	-
Other financial institutions	1,006	22,082	851	17,286
	90,626	83,766	2,614	17,457

The Housing Development Accounts are maintained in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. These accounts, which consist of monies received from purchasers, are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to certain subsidiary companies upon the completion of the property development projects and after all property development expenditure have been fully settled. Included in cash at banks of the Group are amounts of RM13,396,000 (2014: RM3,324,000) held in the Housing Development Accounts.

Short-term deposits with licensed banks for the Group and Company have weighted average effective interest rates as at 31 July 2015 of 2.72% (2014: 3.05%) per annum. The average maturities of short-term deposits with licensed banks of the Group and of Company as at the end of the reporting date were 2 days (2014: 71 days).

Short-term deposits with other financial institutions refer to licensed fund management companies in Malaysia. These deposits have redemption period of one working day upon notification of withdrawal. The weighted average effective interest rate as at 31 July 2015 for the Group and the Company is 3.60% (2014: 3.20% and 3.24%) per annum respectively.

As at the end of the previous year, included in deposit with licensed bank of the Group was an amount of RM473,000 pledged as collaterals for bank guarantees granted.

The currency profile of cash and cash equivalents is as follows:

	The Group	
	2015 RM'000	2014 RM'000
Ringgit Malaysia	64,763	45,932
United States Dollar	25,863	37,834
	90,626	83,766

Continued

24. SHARE CAPITAL

	The Group and The Company			
	Number of ordinary shares of RM0.50 each		Amount	
	2015 '000	2014 '000	2015 RM'000	2014 RM'000
Authorised:				
At beginning and end of year	400,000	400,000	200,000	200,000
Issued and fully paid:				
At beginning of year	230,000	230,000	115,000	115,000
Issued during the year pursuant to the SGP	357	-	179	-
Cancellation of treasury shares during the year	(357)	-	(179)	-
At end of year	230,000	230,000	115,000	115,000

(a) Share capital

During the current financial year, the Company:

(i) Issued 357,000 new ordinary shares of RM0.50 each, pursuant to the Scientex Berhad Share Grant Plan ("SGP"). The new ordinary shares issued rank pari-passu in all respects with the existing ordinary shares of the Company; and

(ii) Cancelled 357,000 treasury shares of RM0.50 each.

As at 31 July 2015, the total number of issued and paid-up share capital of the Company was 230,000,000 ordinary shares of RM0.50 each.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Company as prescribed in the Articles of Association of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

(b) Share grant plan

The SGP is governed by the By-Laws which was approved by the shareholders on 17 December 2013. The SGP allows the Company to grant shares to eligible employees of the Group of up to 5% of the total issued and paid-up share capital of the Company (excluding treasury shares). The SGP is administered by the SGP Committee which is appointed by the Board, in accordance with the By-Laws. The SGP shall be in force for a period of 5 years from the effective date, 21 January 2014 to 20 January 2019, unless extended for up to another 5 years immediately upon the expiry of the first 5 years, but shall not in aggregate exceed the duration of 10 years from the effective date.

The salient features, terms and conditions of the SGP are as follows:

(i) The total number of shares which may be awarded to the selected eligible employees under the SGP shall not exceed in aggregate 5% of the total issued and paid-up share capital of the Company (excluding treasury shares) at any point of time during the duration of the SGP.

(ii) The total number of shares that may be awarded under the SGP shall be determined at the sole and absolute discretion of the SGP Committee after taking into consideration the employees performance, contribution, employment grade and the fulfilment of the yearly performance targets or such other matters as the SGP Committee may deem fit and shall be subject to the following:

- the number of new shares made available under SGP shall not exceed the amount stipulated in (i) above;
- the allocation to an eligible employee, who either singly or collectively, through persons connected with the eligible employee, holds 20% or more of the issued and paid-up share capital of the Company (excluding treasury shares), must not exceed 10% of the total number of shares to be issued under the SGP; and
- not more than 50% of the shares to be issued under the SGP shall be allocated to the eligible employees who are in senior management of the Group.

Continued

24. SHARE CAPITAL (CONT'D)

(b) Share grant plan (cont'd)

(iii) The SGP Committee has the discretion in determining whether the shares available for vesting under the SGP shall be staggered over the duration of the SGP.

(iv) The shares will be vested with the grantee at no cost to the grantee on the vesting date(s).

During the current financial year, the Company granted and vested 357,000 new ordinary shares of RM0.50 each to the eligible employees of the Company and its subsidiaries under the SGP. The closing share price as at the date of granting was RM7.05. The Group and the Company incurred a total cost of approximately RM2,517,000 and RM1,390,000, respectively in relation to the SGP (Note 9).

25. RESERVES

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-distributable reserves:				
Share premium	64,353	38,064	64,353	38,064
Capital redemption reserve	17,646	17,467	4,146	3,967
Property revaluation surplus	55,799	22,774	20,018	3,211
Foreign currency translation reserve	5,582	(1,533)	-	-
Treasury shares	(6,039)	(12,896)	(6,039)	(12,896)
Other reserves	461	461	68	68
	137,802	64,337	82,546	32,414
Distributable reserve:				
Retained earnings	689,176	533,381	107,629	115,089
	826,978	597,718	190,175	147,503

(a) Share premium

Share premium arose from the surplus of consideration received from the disposal of treasury shares and the issuance of ordinary shares pursuant to the SGP.

(b) Capital redemption reserve

Capital redemption reserve arose from the cancellation of preference shares and treasury shares in a subsidiary and the Company, respectively.

During the current financial year, the Company cancelled 357,000 treasury shares of RM0.50 each, amounting to RM179,000.

(c) Property revaluation surplus

Property revaluation surplus represents increases in the fair value of land and buildings, net of tax, and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income.

During the current financial year, the Group performed a revaluation on its freehold land, leasehold land and buildings classified under property, plant and equipment, resulting in an increase in revaluation reserve of RM36,367,000, net of taxation.

(d) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Continued

25. RESERVES (CONT'D)

(e) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares.

During the current financial year, the Company:

(i) Repurchased 200 (2014: 200) of its issued ordinary shares from the open market of Bursa Malaysia Securities Berhad at an average price (including transaction costs) of RM7.48 (2014: RM6.20) per share. The total consideration paid for the repurchase (including transaction costs) was RM1,496 (2014: RM1,240). The repurchased shares are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

(ii) Sold 4,347,000 (2014: Nil) treasury shares in the open market of Bursa Malaysia Securities Berhad at an average price of RM7.09 per share for a total consideration of approximately RM30,810,000 (including transaction costs). The cost of the treasury shares was at an average price of RM1.46 per share, amounting to approximately RM6,338,000. This resulted in an increase in the share premium and equity attributable to shareholders of the Company of approximately RM24,472,000 and RM30,810,000 respectively.

(iii) Cancelled 357,000 treasury shares of RM0.50 each (2014: Nil). Cost of the treasury shares was at an average price of RM1.46 per share, amounting to approximately RM521,000. The cancellation resulted in a decrease in share premium of approximately RM521,000 and an increase in capital redemption reserve of approximately RM179,000.

The directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds.

Of the total 230,000,000 (2014: 230,000,000) issued and fully paid ordinary shares as at 31 July 2015, 4,140,962 (2014: 8,844,762) are held as treasury shares by the Company. As at 31 July 2015, the number of outstanding ordinary shares in issue after the setoff is therefore 225,859,038 (2014: 221,155,238) ordinary shares of RM0.50 each.

(f) Retained earnings

The Company is able to distribute dividends out of its entire retained earnings as at 31 July 2015 under the single tier system.

26. BORROWINGS

	The Group	
	2015 RM'000	**2014 RM'000**
Current - at amortised cost		
Secured:		
Revolving credits	13,040	13,970
Term loans	-	14,000
	13,040	27,970
Unsecured:		
Bankers acceptances	76,856	24,936
Onshore foreign currency loan	-	63,704
Trust receipts	7,912	-
Revolving credits	-	26,000
Foreign currency revolving credits	23,518	105,630
Term loans	28,595	14,640
	136,881	234,910
	149,921	262,880

Continued

26. BORROWINGS (CONT'D)

	The Group	
	2015 RM'000	**2014 RM'000**
Non-current - at amortised cost		
Term loans, secured	70,000	38,500
Term loans, unsecured	5,510	39,040
	75,510	77,540
Total borrowings		
Term loans	104,105	106,180
Bankers acceptances	76,856	24,936
Onshore foreign currency loan	-	63,704
Trust receipts	7,912	-
Revolving credits	13,040	39,970
Foreign currency revolving credits	23,518	105,630
	225,431	340,420

Borrowings are repayable as follows:

	The Group	
	2015 RM'000	**2014 RM'000**
Current	149,921	262,880
Non-current		
More than 1 year and less than 2 years	5,510	38,080
More than 2 years and less than 5 years	31,500	39,460
More than 5 years	38,500	-
	75,510	77,540
	225,431	340,420

The average effective interest rates per annum of the borrowings at the reporting date are as follows:

	The Group	
	2015 %	**2014 %**
Term loans	3.76	3.13
Bankers acceptances	3.96	4.03
Onshore foreign currency loan	-	0.82
Trust receipts	3.08	-
Revolving credits	4.42	4.35
Foreign currency revolving credits	0.93	0.99

The term loans and other banking facilities are secured by the following:

(a) First party charge and third party second charges over the freehold land and building of a subsidiary with carrying value of RM128,486,000 (2014: RM125,742,000) as disclosed in Note 13.

(b) First party charge over the freehold land of a subsidiary with carrying value of RM65,823,000 (2014: RM52,586,000) as disclosed in Note 16.

(c) Negative pledges on all the other assets held by the Company and certain subsidiaries.

Continued

26. BORROWINGS (CONT'D)

The currency profile of borrowings equivalents is as follows:

	The Group	
	2015 RM'000	2014 RM'000
Ringgit Malaysia	169,506	132,504
United States Dollar	55,925	207,916
	225,431	340,420

27. RETIREMENT BENEFITS OBLIGATIONS

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At beginning of year	17,343	8,643	6,769	2,322
Acquisition of subsidiary (Note 15)	-	1,627	-	-
Current and past service cost (Note 9)	2,565	2,553	412	1,112
Paid during the year	(1,400)	-	-	-
Remeasurement of net defined benefit liability	-	4,520	-	3,335
At end of year	18,508	17,343	7,181	6,769

The remeasurement of net defined benefit liability in the prior year is included in other comprehensive income.

The present value of the pension obligation is determined using actuarial valuations. The actuarial valuations were recomputed during the financial year ended 31 July 2014 by Actuarial Partners Consulting Sdn. Bhd., an independent professional actuarist.

The Group operates an unfunded defined benefit lump sum plan. A lump sum benefit is payable to the employees at the normal retirement age of 60 (2014: 60). The plan is applicable to employees who have a minimum 5 years of service to the Group.

The amounts recognised in the statements of financial position are determined as follows:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Present value of unfunded benefit	18,508	17,343	7,181	6,769
Analysed as:				
Current	-	-	-	-
Non-current:				
Later than 2 years	18,508	17,343	7,181	6,769
	18,508	17,343	7,181	6,769

Continued

27. RETIREMENT BENEFITS OBLIGATIONS (CONT'D)

The amounts recognised in the profit and loss and other comprehensive income are as follows:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cost of sales	523	118	-	-
Administrative expenses	1,898	2,183	412	1,112
Selling and distribution expenses	144	252	-	-
	2,565	2,553	412	1,112

The principal assumptions are as follows:

	The Group		The Company	
	2015 %	2014 %	2015 %	2014 %
Discount rate	5.75	5.75	5.75	5.75
Future salary increases	7.00	7.00	7.00	7.00

Actuarial loss recognised directly in other comprehensive income are as follows:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At beginning of year	4,520	-	3,335	-
Recognised during the year	-	4,520	-	3,335
At end of year	4,520	4,520	3,335	3,335

No sensitivity analysis on the principal assumptions is prepared as the Group does not expect any material effect on the Group's profit or loss and other comprehensive income arising from the effect of reasonably possible changes to the above principal actuarial assumptions at the end of the reporting period.

28. DEFERRED TAX (ASSETS)/LIABILITIES

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At beginning of year	23,572	24,812	718	408
Acquisition of subsidiaries (Note 15)	-	369	-	-
Recognised in profit or loss (Note 11)	10,024	(1,609)	-	310
Revaluation of land and buildings	11,461	-	5,308	-
Recognised in equity	(6,195)	-	-	-
At end of year	38,862	23,572	6,026	718
Deferred tax assets	(2,086)	-	-	-
Deferred tax liabilities	40,948	23,572	6,026	718
	38,862	23,572	6,026	718

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when deferred taxes relate to the same tax authority.

Continued

28. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

The deferred tax (assets)/liabilities provided in the financial statements represents the tax effects of the following:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deferred tax assets (before offsetting):				
Temporary differences arising from:				
Unabsorbed reinvestment allowances	(23,075)	(37,265)	-	-
Unabsorbed tax losses and capital allowances	(3,959)	(1,255)	-	-
Others	(5,250)	(4,910)	(961)	(940)
	(32,284)	(43,430)	(961)	(940)
Offsetting	30,198	43,430	961	940
Deferred tax assets (after offsetting)	(2,086)	-	-	-

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deferred tax liabilities (before offsetting):				
Temporary differences arising from:				
Property, plant and equipment	47,345	48,032	599	562
Revaluation of land and buildings	23,737	18,485	6,388	1,096
Others	64	485	-	-
	71,146	67,002	6,987	1,658
Offsetting	(30,198)	(43,430)	(961)	(940)
Deferred tax liabilities (after offsetting)	40,948	23,572	6,026	718

As mentioned in Note 3, the tax effects of unutilised tax losses, unabsorbed capital allowances, unabsorbed reinvestment allowances and deductible temporary differences which would give rise to deferred tax assets are generally recognised to the extent that it is probable that future taxable profits will be available against which the unutilised tax losses, unabsorbed capital allowances, unabsorbed reinvestment allowances and deductible temporary differences can be utilised. As at 31 July 2015, the amount of unutilised tax losses, unabsorbed capital allowances, unabsorbed reinvestment allowances and deductible temporary differences of certain subsidiaries for which deferred tax assets are not recognised in the financial statements due to uncertainty of realisation are as follows:

	The Group	
	2015 RM'000	2014 RM'000
Unutilised tax losses	464	13,510
Unabsorbed capital allowances	8	8
Unabsorbed reinvestment allowances	68,109	6,306
Deductible temporary differences	3,829	2,374
	72,410	22,198

Continued

28. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

The unutilised tax losses, unabsorbed capital allowances and unabsorbed reinvestment allowances, which are subject to the agreement by the tax authorities, are available for offset against future chargeable income of the respective subsidiaries.

29. TRADE PAYABLES

	The Group	
	2015 RM'000	**2014 RM'000**
Third parties	222,016	164,847
Associate	17,949	21,369
Amounts due to contract customers	12,553	10,381
	252,518	196,597

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 120 days (2014: 30 to 120 days). Included in the trade payables of the Group is an amount of RM8,430,000 (2014: RM6,754,000) representing retention amount.

The currency profile of trade payables is as follows:

	The Group	
	2015 RM'000	**2014 RM'000**
Ringgit Malaysia	116,260	100,124
United States Dollar	136,258	96,473
	252,518	196,597

The amount due to associate is unsecured, non-interest bearing and has credit terms of 60 to 90 days (2014: 60 to 90 days).

Amounts due to contract customers are as follows:

	The Group	
	2015 RM'000	**2014 RM'000**
Aggregate costs incurred:		
As at 31 July	184,952	114,885
Attributable profits	6,475	9,206
	191,427	124,091
Less: Progress billings	(203,980)	(134,472)
Amount due to contract customers	(12,553)	(10,381)

Continued

30. OTHER PAYABLES AND ACCRUED EXPENSES

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deposits	643	685	1	1
Accrued expenses	39,414	33,663	511	6,536
Other payables	15,684	23,496	8	405
Amount due to subsidiaries (Note 34)	-	-	-	38,138
	55,741	57,844	520	45,080

31. DIVIDENDS

	The Group and The Company	
	2015 RM'000	2014 RM'000
In respect of the financial year ended 31 July 2013:		
20% single tier special dividend on 221,155,438 ordinary shares (10 sen per ordinary share)	-	22,116
18% single tier final dividend on 221,155,338 ordinary shares (9 sen per ordinary share)	-	19,904
In respect of the financial year ended 31 July 2014:		
16% single tier interim dividend on 221,155,238 ordinary shares (8 sen per ordinary share)	-	17,692
26% single tier final dividend on 225,859,138 ordinary shares (13 sen per ordinary share)	29,362	-
In respect of the financial year ended 31 July 2015:		
18% single tier interim dividend on 225,859,038 ordinary shares (9 sen per ordinary share)	20,327	-
	49,689	59,712

The directors had on 29 September 2015 proposed a single tier final dividend of 26% (13 sen per ordinary share) amounting to approximately RM29,362,000, in respect of the financial year ended 31 July 2015. The proposed single tier final dividend is subject to the approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liabilities in the financial statements. Upon approval by the shareholders, the dividend payment will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 July 2016.

Continued

32. CAPITAL COMMITMENTS

At the end of reporting period, the Group and the Company have the following capital commitments in respect of the acquisition of property, plant and equipment and land held for development.

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Approved and contracted for:				
Purchase of plant and machinery	200,398	19,761	-	693
Balance payment for purchase of land held for development	197,072	-	-	-
	397,470	19,761	-	693

33. FINANCIAL GUARANTEES

Corporate guarantees are provided by the Company to banks and financial institutions to secure banking facilities for the subsidiaries. The directors are of the opinion that the corporate guarantees are not likely to be called upon and regard the value of the credit enhancement provided by the corporate guarantees as minimal.

34. RELATED PARTY TRANSACTIONS

Amounts owing by associate and joint venture which arose mainly from trade transactions and expenses paid on behalf have a credit period range from 30 to 60 days (2014: 30 to 60 days).

Amounts owing by/(to) subsidiaries, which arose mainly from expenses paid on behalf and unsecured advances, are non-interest bearing and repayable on demand.

The Group and the Company have the following transactions with related parties during the financial year, which were determined on terms not more favourable to the related parties than to third parties:

(a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

		The Group	
		2015 RM'000	2014 RM'000
Associate:			
Sales	(i)	(809)	(824)
Purchases	(ii)	58,213	53,092
Management fees	(iii)	(120)	(120)
Rental income	(iv)	(144)	(144)
Joint venture:			
Sales	(i)	(175)	(193)
Rental income	(iv)	(926)	(926)

Continued

34. RELATED PARTY TRANSACTIONS (CONT'D)

		The Company	
		2015 RM'000	**2014 RM'000**
Associate:			
Management fees	(iii)	(120)	(120)
Dividend income		(180)	(90)
Subsidiaries:			
Technical assistance fees	(iii)	-	(1,349)
Project management fees	(iii)	(14,772)	(23,382)
Dividend income		(33,354)	(57,850)

(i) The sales were determined on terms not more favourable to the related parties than to third parties and have credit terms of 60 days (2014: 60 days).

(ii) The purchase of products from associate were made according to the published prices and conditions offered by the related party to their major customers.

(iii) The rendering of services to associate and subsidiaries were determined on terms not more favourable to the related parties than to third parties and have credit terms of 30 days (2014: 30 days).

(iv) The rental payable by the associate and joint venture was determined on terms not more favourable to the related parties than to third parties and has credit terms of 30 days (2014: 30 days).

(b) Compensation of key management personnel are as follows:

	The Group		The Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Wages, salaries and other emoluments	17,002	17,280	6,734	8,580
Fees	38	50	38	50
Contribution to defined contribution plans	2,748	2,820	941	1,329
Share grant plan	743	-	647	-
	20,531	20,150	8,360	9,959

Included in compensation of key management personnel of the Group and of the Company are directors' remuneration amounting to RM11,993,000 and RM5,035,000 (2014: RM11,250,000 and RM5,199,000) respectively.

35. SEGMENTAL INFORMATION

Segment reporting is presented in respect of the Group's business segments in a manner consistent with the internal reporting provided to and regularly reviewed by the chief operating decision maker in order to allocate resources to a segment and to assess its performance.

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that are subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transaction are within the Group.

Continued

35. SEGMENTAL INFORMATION (CONT'D)

(a) Business Segments

The Group's activities are classified into two major business segments:

- Manufacturing - mainly in the business of manufacturing of various packaging products and manufacturing of materials for automotives interior. Included in this segment is also the sales and marketing of laminating polyurethane adhesives, which is regarded by the management to exhibit similar economic characteristics.

- Property development - in the business of constructing and developing residential, commercial and industrial properties and property management.

Management monitors the operating results of its business units separately for the purpose of decision making on resource allocation and performance assessment. Group financing and income taxes are managed on a group basis and are not allocated to operating segments. Transactions between operating segments are conducted under terms, conditions and prices not materially different from transactions with non-related parties.

(b) Analysis by activity

2015	Note	Manufacturing RM'000	Property development RM'000	Consolidated RM'000
Revenue		1,285,957	515,727	1,801,684
Results				
Interest income		499	1,221	1,720
Interest expense		7,094	1,161	8,255
Depreciation of:				
Property, plant and equipment		41,854	1,910	43,764
Investment properties		-	71	71
Share of results of associate and joint venture		4,239	-	4,239
Other non-cash (income)/expenses	(ii)	13,898	(11,560)	2,338
Segment profit	(i)	76,930	175,277	252,207
Assets				
Segment assets	(iii)	944,666	651,116	1,595,782
Investment in associate		15,369	-	15,369
Investment in joint venture		26,155	-	26,155
Tax recoverable		460	23	483
Deferred tax assets		1,930	156	2,086
Consolidated total assets				1,639,875
Liabilities				
Segment liabilities		445,852	126,673	572,525
Tax liabilities		5,224	16,416	21,640
Deferred tax liabilities		24,688	16,260	40,948
Consolidated total liabilities				635,113

Continued

35. SEGMENTAL INFORMATION (CONT'D)

(b) Analysis by activity (cont'd)

2014	Note	Manufacturing RM'000	Property development RM'000	Consolidated RM'000
Revenue		1,192,210	398,262	1,590,472
Results				
Interest income		900	1,238	2,138
Interest expense		6,521	622	7,143
Depreciation of:				
Property, plant and equipment		38,031	1,438	39,469
Investment properties		-	71	71
Share of results of associate and joint venture		3,789	-	3,789
Other non-cash (income)/expenses	(ii)	(2,881)	2,084	(797)
Segment profit	(i)	68,758	120,862	189,620
Assets				
Segment assets	(iii)	862,287	499,280	1,361,567
Investment in associate		12,125	-	12,125
Investment in joint venture		25,340	-	25,340
Tax recoverable		1,283	63	1,346
Consolidated total assets				1,400,378
Liabilities				
Segment liabilities		532,680	97,216	629,896
Tax liabilities		819	10,668	11,487
Deferred tax liabilities		7,679	15,893	23,572
Consolidated total liabilities				664,955

Notes

(i) The following items are added to/(deducted from) segment profit to arrive at profit before tax presented in the statements of profit or loss and other comprehensive income:

	2015 RM'000	2014 RM'000
Segment profit	252,207	189,620
Other expenses	(27,229)	-
Finance costs (Note 7)	(8,255)	(7,143)
Share of results of associate and joint venture	4,239	3,789
Profit before tax	220,962	186,266

Continued

35. SEGMENTAL INFORMATION (CONT'D)

(b) Analysis by activity (cont'd)

(ii) Other material non-cash (income)/expenses consist of the following items as presented in the respective notes to the financial statements:

	2015 RM'000	2014 RM'000
Provision for retirement benefits	2,565	2,553
Allowance for doubtful debts on trade receivables	325	13
Write back of inventories	(380)	(444)
Loss/(gain) on disposal of property, plant and equipment	3,594	(190)
Property, plant and equipment written off	434	2
Allowance for doubtful debts on trade receivables no longer required	(65)	(360)
Bad debts written off	30	227
Net unrealised loss/(gain) on foreign exchange	8,427	(2,598)
Fair value gain on investment properties	(12,592)	-
	2,338	(797)

(iii) Included in segment assets is addition to non-current assets of:

	Manufacturing RM'000	Property development RM'000	Consolidated RM'000
2015			
Property, plant and equipment	95,724	4,283	100,007
Other investments	1,990	-	1,990
2014			
Land held for property development	-	28,500	28,500
Property, plant and equipment	101,122	866	101,988

(c) Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-Current Assets	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Malaysia	886,308	705,456	953,648	843,852
Japan	307,579	342,467	-	-
Korea	169,384	155,985	-	-
Indonesia	84,623	71,240	168	129
Europe	67,817	67,055	-	-
Australia	87,638	85,348	-	-
Singapore	42,052	40,559	16	-
The Socialist Republic of Vietnam	9,389	4,351	25,267	15,556
Others	146,894	118,011	-	-
Consolidated	1,801,684	1,590,472	979,099	859,537

Continued

35. SEGMENTAL INFORMATION (CONT'D)

(c) Geographical information (cont'd)

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position.

	2015 RM'000	2014 RM'000
Property, plant and equipment	642,791	552,100
Land held for property development	268,616	260,401
Investment properties	17,000	4,479
Investment in joint venture	26,155	25,340
Investment in associate	15,369	12,125
Other investments	7,082	5,092
Deferred tax assets	2,086	-
	979,099	859,537

Revenue from one major customer amounting to RM267,045,000 (2014: RM281,408,000), arising from sales by the manufacturing segment.

36. FINANCIAL INSTRUMENTS

Capital management

The primary objective of the Group's capital management is to ensure that the Group maintains healthy capital ratios in order to support its business operations and maximise shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 July 2015 and 31 July 2014.

Gearing Ratio

The gearing ratio at end of the reporting period was as follows:

		The Group	
		2015 RM'000	2014 RM'000
Debt	(i)	225,431	340,420
Less: Cash and cash equivalents		(90,626)	(83,766)
Net debt		134,805	256,654
Equity	(ii)	941,978	712,718
Net debt to equity ratio		0.14	0.36

(i) Debt is defined as long-term and short-term borrowings as disclosed in Note 26.

(ii) Equity includes issued capital and reserves.

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses), for each class of financial assets, financial liabilities and equity instruments are disclosed in Note 3.

Continued

36. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instruments

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Financial assets				
Available-for-sale investments	7,082	5,092	4,883	4,883
Loans and receivables:				
Trade receivables	265,887	222,055	-	-
Other receivables and deposits	11,636	8,803	2,529	35,447
Cash and cash equivalents	90,626	83,766	2,614	17,457
Total	375,231	319,716	10,026	57,787
Financial liabilities				
At amortised cost:				
Trade payables	252,518	196,597	-	-
Other payables and accrued expenses	55,741	57,844	520	45,080
Borrowings	225,431	340,420	-	-
Total	533,690	594,861	520	45,080

Financial Risk Management Objectives and Policies

The operations of the Group and of the Company are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group and the Company have formulated a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

Various risk management policies are made and approved by the Board of Directors for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments.

Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group is exposed to foreign exchange rate risk on certain transactions entered into by subsidiaries in currencies other than its functional currency.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	The Group	
	Assets 2015 RM'000	Liabilities 2015 RM'000
United States Dollar	68,903	169,653

	The Group	
	Assets 2014 RM'000	Liabilities 2014 RM'000
United States Dollar	69,509	276,204

Continued

36. FINANCIAL INSTRUMENTS (CONT'D)

Foreign currency risk management (cont'd)

Foreign currency sensitivity analysis

The Group is mainly exposed to the foreign currencies of United States Dollar ("USD").

The following table details the Group's sensitivity to a 3% increase and decrease in the Ringgit Malaysia against USD. 3% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis below includes:

(i) Outstanding foreign currency denominated monetary items and adjusts their translation at the year end and for a 3% change in foreign currency rates. A positive number below indicates a profit where the Ringgit Malaysia strengthens 3% against the USD. For a 3% weakening of the Ringgit Malaysia against USD, there would be a comparable impact on profit or loss, the balances below would be negative.

	The Group	
	2015 RM'000	**2014 RM'000**
United States Dollar	3,023	6,201

(ii) The Group's sales less cost of sales and other items of expenses denominated in USD during the financial year ended 31 July 2015 for a 3% change in foreign currency rates. A positive number below indicates profit where the Ringgit Malaysia weakens 3% against USD. For a 3% strengthening of the Ringgit Malaysia against USD, there would be a comparable impact on profit or loss, the balances below would be negative.

	The Group	
	2015 RM'000	**2014 RM'000**
United States Dollar	3,336	3,611

(iii) The Group's sales less cost of sales and other items of expenses denominated in USD during the financial year ended 31 July 2015, offset against the Group's exposure in USD in the statements of financial position at the end of the reporting period for a 3% change in foreign currency rates. A positive/(negative) number below indicates a profit /(loss) where the Ringgit Malaysia strengthens 3% against the USD. For a 3% weakening of the Ringgit Malaysia against USD, a positive/(negative) number below indicates a loss/(profit).

	The Group	
	2015 RM'000	**2014 RM'000**
United States Dollar	(313)	2,590

Interest rate risk management

The Group is exposed to interest rate risk through the impact of rate changes on bank borrowings. The interest rates for the said bank borrowings are disclosed in Note 26.

Interest rate sensitivity analysis

The Group's exposures to interest rates on financial liabilities are detailed below. The sensitivity analyses below have been determined based on the exposure to interest rates for financial liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liabilities at the end of the reporting period will remain unchanged for the whole year. A 10 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 10 basis points higher or lower and all other variables were held constant, the Group's profit for the year ended 31 July 2015 would decrease or increase by RM250,000 (2014: RM266,000).

Continued

36. FINANCIAL INSTRUMENTS (CONT'D)

Credit risk management

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group is exposed to credit risk mainly from trade and other receivables. The Group extends credit to its customers based upon careful evaluation on the customers' financial condition and credit history.

The Company is exposed to credit risk mainly from subsidiaries and related parties. The Company monitors on an ongoing basis the results of the subsidiaries and related parties, and repayments made by the subsidiaries and related parties.

The Group's and the Company's exposure to credit risk in relation to their receivables, should all their customers fail to perform their obligations as of 31 July 2015, is the carrying amount of these receivables as disclosed in the statements of financial position.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 21. Deposits and short-term placements with licensed banks and financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are past due and impaired

Information regarding trade receivables that are past due and impaired is disclosed in Note 21.

Credit risk concentration profile

As at the reporting date, the Group does not have any significant exposure to any individual customer or counterparty.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's and of the Company's short-term, medium and long-term funding and liquidity management requirements. The Group and the Company manage liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

The tables below summarise the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations. The tables include both interest and principal cash flows.

The Group	Weighted average effective interest rate per annum	Less than 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
2015					
Financial liabilities					
Non-interest bearing:					
Trade payables		252,518	-	-	252,518
Other payables and accrued expenses		55,741	-	-	55,741
		308,259	-	-	308,259
Interest bearing:					
Loans and borrowings	3.76%	153,536	86,646	2,346	242,528
Total undiscounted financial liabilities		461,795	86,646	2,346	550,787

Continued

36. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

The Group	Weighted average effective interest rate per annum	Less than 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
2014					
Financial liabilities					
Non-interest bearing:					
Trade payables		196,597	-	-	196,597
Other payables and accrued expenses		57,844	-	-	57,844
		254,441	-	-	254,441
Interest bearing:					
Loans and borrowings	3.13%	265,864	80,655	-	346,519
Total undiscounted financial liabilities		520,305	80,655	-	600,960

The Company	Less than 1 year RM'000	1 to 5 years RM'000	Total RM'000
2015			
Financial liabilities			
Non-interest bearing:			
Other payables and accrued expenses	520	-	520
2014			
Financial liabilities			
Non-interest bearing:			
Other payables and accrued expenses	45,080	-	45,080

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) SPFSB, a wholly-owned subsidiary of the Company has on 7 August 2014 entered into a Strategic Alliance Agreement with Futamura to build a bi-axially oriented polypropylene ("BOPP") film manufacturing plant and to develop and grow consumer packaging markets.

On 24 September 2014, a Share Sale Agreement ("SSA 1") has been entered into between SPFSB and Futamura in relation to the issuance and sale of 5% of the enlarged issued and paid-up share capital of SGW to Futamura for a consideration of RM40,000,000. The transaction was completed on 2 October 2014.

The Board has also on 24 September 2014 approved the proposed investments in BOPP and cast polypropylene ("CPP") film plants. The proposed investments in CPP and BOPP film plants are expected to be completed by end 2015 and second half of 2016 respectively.

Subsequently, on 23 July 2015, SPFSB entered into another Share Sale Agreement with Futamura to sell 5,000,000 ordinary shares of RM1.00 each in SGW, representing 5% of the issued and paid-up share capital of SGW to Futamura for a consideration of RM40,000,000, as part of the option granted to Futamura under SSA 1. The transaction was completed on 29 July 2015 and Futamura held 10% equity interest in SGW with the remaining 90% equity interest held by SPFSB.

Continued

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(ii) SQSB, a wholly-owned subsidiary of the Company has on 29 June 2015 entered into two conditional sale and purchase agreements in relation to the proposed acquisition of freehold agriculture lands measuring in aggregate of approximately 326.06 acres in Mukim of Pulai, District of Johor Bahru, State of Johor for a total cash purchase consideration of RM218.97 million, from Bukit Gambir Company Sdn. Berhad and Jayaplus Bakti Sdn. Bhd..

The acquisition had been approved by the Company's shareholders at the Extraordinary General Meeting held on 29 September 2015. It is currently pending the authorities' approval and the fulfilment of other relevant conditions precedent as set out in the conditional sale and purchase agreements. The transaction is expected to be completed by the first quarter of 2016.

38. SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR END

On 5 August 2015, SPFSB entered into a Share Purchase Agreement with Mondi Consumer Packaging International GmbH to acquire a total of 21,045,316 ordinary shares of RM1.00 each in the capital of Scientex Great Wall (Ipoh) Sdn. Bhd. (formerly known as Mondi Ipoh Sdn. Bhd.) ("SGW Ipoh"), representing the entire issued and paid-up share capital of SGW Ipoh for a cash consideration of RM58,000,000, upon the terms and conditions contained in the Share Purchase Agreement.

The acquisition enables the Scientex Group to further diversify its packaging product range with the manufacture of consumer products for fast moving consumer goods and food and beverage sectors, and industrial products including form-fill-seal (FFS).

The transaction was completed on 11 August 2015 and accordingly, SGW Ipoh became a wholly-owned subsidiary of SPFSB. With these, the enlarged Scientex Group benefits from the increased production capacity and the larger customer base in the manufacturing of packaging products. The acquisition accords the enlarged Scientex Group with sustain competitive advantages in the manufacturing of packaging products and expects synergistic benefits resulting from the economies of scale.

Further disclosure on the acquisition is impracticable as the initial accounting for the business combination is incomplete as of the report date.

Continued

39. SUPPLEMENTARY INFORMATION ON DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Securities") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements which requires all listed issuers to disclose the breakdown of the retained earnings or accumulated losses as of the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the prescribed format of disclosure.

The breakdown of the retained earnings of the Group and of the Company as of 31 July 2015 and 31 July 2014 into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained earnings of the Company and its subsidiaries				
Realised	962,230	752,330	107,629	115,089
Unrealised	(23,552)	(2,488)	-	-
	938,678	749,842	107,629	115,089
Total retained earnings from associated company and joint venture				
Realised	16,507	12,358	-	-
Unrealised	(483)	(393)	-	-
	16,024	11,965	-	-
Consolidation adjustments	(265,526)	(228,426)	-	-
Total retained earnings	689,176	533,381	107,629	115,089

The determination of realised and unrealised profits or losses is based on Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Securities Listing Requirements" as issued by the Malaysian Institute of Accountants on 20 December 2010. A charge or credit to profit or loss of a legal entity is deemed realised when it is resulting from the consumption of resource of all types and form, regardless of whether it is consumed in the ordinary course of business or otherwise. A resource may be consumed through sale or use. Where a credit or a charge to profit or loss upon initial recognition or subsequent measurement of an asset or a liability is not attributed to consumption of resource, such credit or charge should not be deemed as realised until the consumption of resource could be demonstrated.

This supplementary information has been made solely for complying with the disclosure requirements as stipulated in the directive of Bursa Securities and is not made for any other purposes.

Statement By Directors

The directors of **SCIENTEX BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 July 2015 and of the financial performance and the cash flows of the Group and of the Company for the financial year ended on that date.

The supplementary information set out in Note 39 to the Financial Statements, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance
with a resolution of the directors,

LIM PENG JIN

LIM PENG CHEONG

Shah Alam, Selangor Darul Ehsan
2 November 2015

Declaration By The Officer Primarily Responsible For The Financial Management Of The Company

I, **TAN HONG KOON**, being the officer primarily responsible for the financial management of **SCIENTEX BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

TAN HONG KOON

Subscribed and solemnly declared by the abovenamed
TAN HONG KOON at **KUALA LUMPUR, WILAYAH PERSEKUTUAN**
on 2nd day of November 2015

Before me,
Shafie Bin Daud (W350)
Commissioner for Oaths
Kuala Lumpur
Wilayah Persekutuan

List Of Properties Held By The Group

As at 31 July 2015

Location	Description/ Existing Use	Tenure	Site Area (sq.ft.)	Built-up Area (sq.ft.)	Net Book Value RM'000	Age of Building (Year)	Year of Acquisition/ Revaluation*
GRN 38309 Lot 1608, Mukim Rawang District of Gombak State of Selangor	Land, factory buildings, office and warehouse for industrial use	Freehold	1,248,264	502,839	128,486	4 - 17	2015*
Geran 237417 Lot 812 Mukim of Senai District of Kulaijaya State of Johor	Land for mixed development	Freehold	6,534,516	-	65,823	-	2012
Lot No. 215, Section 15 Town of Shah Alam District of Petaling State of Selangor	Land, factory buildings, office and warehouse for industrial use	Leasehold for 99 years expiring on 27.07.2097	355,855	190,210	45,000	25 - 45	2015*
P.T. No. 125486 Mukim and District of Klang State of Selangor	Land, factory buildings, office and warehouse for industrial use	Leasehold for 99 years expiring on 24.02.2097	493,792	197,505	43,400	12 - 14	2015*
PN 11000 Lot No. 947 Mukim of Pulai District of Johor Bahru State of Johor	Land for mixed development	Leasehold for 991 years expiring on 03.09.2911	2,988,652	-	38,118	-	2010
Taman Scientex - various sub-divided lots in Mukim of Plentong District of Johor Bahru State of Johor	Land for mixed development	Freehold	2,659,789	-	32,884	-	1993
Geran 226802 Lot 25959 & Geran 226810 Lot 25958 Mukim of Kulai District of Kulaijaya State of Johor	Land for mixed development	Freehold	1,780,254	-	32,149	-	2013
GRN 205545 Lot 19010, Seksyen 20 Bandar Rawang District of Gombak State of Selangor	Land, factory buildings, office and warehouse for industrial use	Freehold	239,712	73,529	30,711	20	2015*
H.S. (D) 180797 PTD 8006 Mukim of Sedenak District of Kulaijaya State of Johor	Land for mixed development	Freehold	6,814,083	-	29,796	-	2007
6 parcels of land in Taman Scientex Mukim of Plentong District of Johor Bahru State of Johor	Land for mixed development	Freehold	2,310,104	-	26,418	-	2004*

Analysis Of Shareholdings

As at 16 October 2015

Authorised Share Capital	-	RM 200,000,000
Issued and Fully Paid-Up Capital	-	RM 115,000,000
Type of Shares	-	Ordinary Shares of RM0.50 each
Voting Rights	-	One vote per shareholder on a show of hands
	-	One vote per ordinary share on a poll
No. of Shareholders	-	4,147

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	Total Holdings *	% *
Less than 100	472	11.38	14,155	0.01
100 - 1,000	756	18.23	588,590	0.26
1,001 - 10,000	2,061	49.70	8,594,662	3.81
10,001 - 100,000	697	16.81	20,946,758	9.27
100,001 to less than 5% of issued shares	156	3.76	88,131,086	39.02
5% and above of issued shares	5	0.12	107,583,787	47.63
Total	**4,147**	**100.00**	**225,859,038**	**100.00**

Notes:-

* *Excluding a total of 4,140,962 shares bought back by the Company and retained as treasury shares.*

SUBSTANTIAL SHAREHOLDERS (as per Register of Substantial Shareholders)

Name	Direct Interest	% *	No. of Shares Held Deemed Interest	% *
1 Lim Teck Meng	75,100	0.03	111,388,560 [A]	49.32
2 Lim Peng Jin	1,178,470	0.52	133,883,359 [B]	59.28
3 Lim Peng Cheong	107,300 [C]	0.05	123,749,159 [D]	54.79
4 Scientex Holdings Sdn Berhad	48,243,862	21.36	-	-
5 Scientex Leasing Sdn Bhd	23,281,152	10.31	-	-
6 Lim Teck Meng Sdn Bhd	18,866,678 [C]	8.35	-	-
7 Sim Swee Tin Sdn Bhd	12,360,599	5.47	-	-
8 TM Lim Sdn Bhd	11,831,496	5.24	-	-

Notes:-

[A] *Deemed interests through Scientex Holdings Sdn Berhad, TM Lim Sdn Bhd, Malacca Securities Sdn Bhd, Mplusonline Sdn Bhd, Lim Teck Meng Sdn Bhd and Scientex Leasing Sdn Bhd.*

[B] *Deemed interests through Scientex Holdings Sdn Berhad, TM Lim Sdn Bhd, Malacca Securities Sdn Bhd, Mplusonline Sdn Bhd, Progress Innovations Sdn Bhd, Scientex Leasing Sdn Bhd, Sim Swee Tin Sdn Bhd and Lim Teck Meng Sdn Bhd.*

[C] *Include shareholdings held through nominee company(ies).*

[D] *Deemed interests through Scientex Holdings Sdn Berhad, TM Lim Sdn Bhd, Malacca Securities Sdn Bhd, Mplusonline Sdn Bhd, Scientex Leasing Sdn Bhd, Sim Swee Tin Sdn Bhd and Lim Teck Meng Sdn Bhd.*

* *Excluding a total of 4,140,962 shares bought back by the Company and retained as treasury shares.*

DIRECTORS' SHAREHOLDINGS IN THE COMPANY (as per Register of Directors' Shareholdings)

Name	Direct Interest	% *	No. of Shares Held Deemed/ Indirect Interest	% *
Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim	76,940	0.03	100,000 [a]	0.04
Lim Peng Jin	1,178,470	0.52	133,898,659 [b]	59.28
Lim Peng Cheong	107,300 [c]	0.05	125,005,529 [d]	55.35
Teow Her Kok @ Chang Choo Chau	200,000	0.09	-	-
Ang Kim Swee	20,000 [c]	0.01	-	-
Cham Chean Fong @ Sian Chean Fong	-	-	-	-

Lim Peng Jin and Lim Peng Cheong by virtue of their interest in shares in the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

Other than as disclosed above, the Directors in office did not have any interest in shares in the Company or its related corporations.

Analysis Of Shareholdings

Notes:-
- [a] *Indirect interest through Shareena Binti Mohd Sheriff.*
- [b] *Deemed/indirect interests through Scientex Holdings Sdn Berhad, TM Lim Sdn Bhd, Malacca Securities Sdn Bhd, Mplusonline Sdn Bhd, Progress Innovations Sdn Bhd, Scientex Leasing Sdn Bhd, Sim Swee Tin Sdn Bhd, Lim Teck Meng Sdn Bhd and Lee Chung Yau.*
- [c] *Include shareholdings held through nominee company(ies).*
- [d] *Deemed/indirect interests through Scientex Holdings Sdn Berhad, TM Lim Sdn Bhd, Malacca Securities Sdn Bhd, Mplusonline Sdn Bhd, Scientex Leasing Sdn Bhd, Sim Swee Tin Sdn Bhd, Lim Teck Meng Sdn Bhd, Yong Sook Lan, Lim Jian You, Lim Chia Wei and Lim Jian Yen.*
- * *Excluding a total of 4,140,962 shares bought back by the Company and retained as treasury shares.*

LIST OF THIRTY (30) LARGEST SHAREHOLDERS
(Without Aggregating Securities from Different Securities Accounts Belonging to the Same Person)

No.	Names	No. of Shares Held*	%*
1	Scientex Holdings Sdn Berhad	48,243,862	21.36
2	Scientex Leasing Sdn Bhd	23,281,152	10.31
3	Sim Swee Tin Sdn Bhd	12,360,599	5.47
4	Lim Teck Meng Sdn Bhd	11,866,678	5.25
5	TM Lim Sdn Bhd	11,831,496	5.24
6	Progress Innovations Sdn Bhd	10,134,200	4.49
7	UOBM Nominees (Tempatan) Sdn Bhd *- A/C Malacca Securities Sdn Bhd*	4,400,000	1.95
8	Ang Teow Cheng & Sons Sdn Bhd	4,300,000	1.90
9	Citigroup Nominees (Asing) Sdn Bhd *- Exempt An for Citibank New York (Norges Bank 12)*	4,148,600	1.84
10	Malaysia Nominees (Tempatan) Sendirian Berhad *- A/C Malacca Securities Sdn Bhd*	4,000,000	1.77
11	UOBM Nominees (Tempatan) Sdn Bhd *- A/C Lim Teck Meng Sdn Bhd*	4,000,000	1.77
12	ABB Nominee (Tempatan) Sdn Bhd *- A/C Lim Teck Meng Sdn Bhd*	3,000,000	1.33
13	Citigroup Nominees (Asing) Sdn Bhd *- Exempt An for Citibank New York (Norges Bank 14)*	2,630,400	1.16
14	Cartaban Nominees (Asing) Sdn Bhd *- BBH and Co Boston for Fidelity Puritan Trust: Fidelity Series Intrinsic Opportunities Fund*	1,918,000	0.85
15	Saw Soon Lin	1,833,858	0.81
16	Amanah Raya Berhad *- Kumpulan Wang Bersama Syariah*	1,660,000	0.73
17	Ang Seng Chin	1,500,000	0.66
18	Wong Mook Weng @ Wong Tsap Loy	1,366,088	0.60
19	Ang Teow Cheng	1,250,000	0.55
20	Yatee & Sons Sdn Bhd	1,225,083	0.54
21	Lim Peng Jin	1,178,470	0.52
22	Lembaga Kemajuan Tanah Persekutuan	1,058,000	0.47
23	HSBC Nominees (Tempatan) Sdn Bhd *- BSI SA for Yong Sook Lan*	1,040,000	0.46
24	Citigroup Nominees (Tempatan) Sdn Bhd *- Employees Provident Fund Board (Nomura)*	1,019,800	0.45
25	Tokio Marine Life Insurance Malaysia Bhd *- As beneficial owner (PF)*	1,012,300	0.45
26	Cartaban Nominees (Asing) Sdn Bhd *- BBH (LUX) SCA for Fidelity Funds Malaysia*	889,400	0.39
27	Loh Hoay Chye & Sons Sdn Bhd	884,700	0.39
28	HSBC Nominees (Asing) Sdn Bhd *- Exempt An for The Bank of New York Mellon (Mellon Acct)*	762,700	0.34
29	Minsoon Motors Sendirian Berhad	716,468	0.32
30	Wong Kar Wai	695,768	0.31
	Total	**164,207,622**	**72.70**

Notes:-
- * *Excluding a total of 4,140,962 shares bought back by the Company and retained as treasury shares.*

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Forty-Seventh Annual General Meeting of the Company will be held at **Scientex Packaging Film Sdn Bhd, Lot 4, Jalan Sungai Pinang 4/3, Seksyen 4, Taman Perindustrian Pulau Indah, 42920 Pelabuhan Klang, Selangor Darul Ehsan** on **Thursday, 17 December 2015** at **11.00 a.m.** for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 July 2015 together with the Reports of the Directors and Auditors thereon. ***(Resolution 1)***

2 To declare a single tier final dividend of 26% (13 sen per ordinary share) in respect of the financial year ended 31 July 2015. ***(Resolution 2)***

3. To re-elect Mr Lim Peng Cheong who retires by rotation in accordance with Article 92 of the Company's Articles of Association and being eligible, has offered himself for re-election. ***(Resolution 3)***

4. To re-elect Mr Ang Kim Swee who retires in accordance with Article 97 of the Company's Articles of Association and being eligible, has offered himself for re-election. ***(Resolution 4)***

5. To consider and, if thought fit, to pass the following Resolutions pursuant to Section 129(6) of the Companies Act, 1965:-

   (a) "THAT, pursuant to Section 129(6) of the Companies Act, 1965, YBhg. Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim, who is over the age of seventy (70) years, be re-appointed as Director of the Company, to hold office until the conclusion of the next Annual General Meeting." ***(Resolution 5)***

   (b) "THAT, pursuant to Section 129(6) of the Companies Act, 1965, Mr Teow Her Kok @ Chang Choo Chau, who is over the age of seventy (70) years, be re-appointed as Director of the Company, to hold office until the conclusion of the next Annual General Meeting." ***(Resolution 6)***

6. To approve the payment of Directors' fees of RM183,838.00 for the financial year ended 31 July 2015. ***(Resolution 7)***

7. To appoint Messrs Deloitte as Auditors of the Company in place of the retiring Auditors, Messrs Deloitte & Touche and to authorise the Directors to fix their remuneration.

   Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed hereto and marked "Annexure A" had been received by the Company for the nomination of Messrs Deloitte, who have given their consent to act, for appointment as Auditors of the Company and of the intention to propose the following ordinary resolution:-

   "THAT Messrs Deloitte having consented to act, be and are hereby appointed Auditors of the Company in place of the retiring Auditors, Messrs Deloitte & Touche to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors." ***(Resolution 8)***

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions:-

8. **Ordinary Resolution I**
   Authority to Directors to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965

   "THAT subject to the provision of Section 132D of the Companies Act, 1965 and the approvals of the relevant governmental/regulatory authorities, where necessary, the Directors be and are hereby authorised from time to time to allot and issue shares in the Company at such price, upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit provided the aggregate number of shares to be issued does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." ***(Resolution 9)***

Notice Of Annual General Meeting

9. **Ordinary Resolution II**
Proposed Renewal of Share Buy-Back Authority

"THAT subject to the rules, regulations, orders and guidelines made pursuant to the Companies Act, 1965 ("Act"), provisions of the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Company be and is hereby authorised to purchase on the market and/or hold such number of the Company's issued and paid-up ordinary shares of RM0.50 each ("Scientex Shares") through Bursa Securities ("Proposed Share Buy-Back") as may be determined by the Directors of the Company ("Directors") from time to time upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company subject to the following:-

(a) The maximum number of Scientex Shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities;

(b) The maximum fund to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the total retained profits and/or share premium account of the Company based on its latest audited financial statements. As at 31 July 2015, the audited retained profit and share premium account of the Company were RM107,629,092 and RM64,353,201 respectively; and

(c) The authority conferred by this resolution will be effective immediately upon the passing of this Ordinary Resolution and will expire at the conclusion of the next Annual General Meeting of the Company, unless renewed or earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting or the expiration of the period within which the next Annual General Meeting after the date is required by law to be held, whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities or any other relevant authorities.

THAT the shares purchased by the Company pursuant to the Proposed Share Buy-Back be dealt with in all or any of the following manner (as selected by the Company):-

(i) the shares so purchased may be cancelled; and/or

(ii) the shares so purchased may be retained in treasury for distribution as share dividends to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or

(iii) part of the shares so purchased may be retained as treasury shares with the remaining being cancelled; and/or

(iv) in such other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Directors be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and to do all such acts and things as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto." ***(Resolution 10)***

10. **Ordinary Resolution III**
Retention of Independent Non-Executive Directors

(a) "THAT subject to the passing of Resolution 5, YBhg. Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be retained to continue to serve as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012." ***(Resolution 11)***

(b) "THAT Mr Cham Chean Fong @ Sian Chean Fong, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be retained to continue to serve as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012." ***(Resolution 12)***

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders, the proposed single tier final dividend will be paid on 25 January 2016 to shareholders whose names appeared in the Record of Depositors on 11 January 2016.

A Depositor shall qualify for entitlement only in respect of:-

(a) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 7 January 2016 in respect of shares exempted from mandatory deposit;

(b) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 11 January 2016 in respect of ordinary transfers; and

(c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order Of The Board

NG BOON NGEE
MAICSA 7053979
Secretary

Shah Alam
24 November 2015

Notes:-

1. *A member entitled to attend, speak and vote at the meeting is entitled to appoint at least one (1) proxy to attend, speak and vote in his stead and where a member appoints two (2) or more proxies, he shall specific the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

2. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of two (2) or more proxies in respect of any particular securities account or omnibus account shall be invalid unless the authorised nominee or exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*

3. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or the hand of its attorney.*

4. *The form of proxy must be deposited at the Company's Registered Office at Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time appointed for the holding of the meeting or any adjournment thereof.*

5. *In respect of deposited securities, only members whose names appear in the Record of Depositors as at 11 December 2015 shall be regarded as a member and entitled to attend, speak and vote at the meeting or appoint proxy to attend, speak and/or vote on his/her behalf.*

6. *Explanatory Notes on Special Business:-*

   (i) ***Authority to Directors to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965***

   Resolution 9, if passed, will empower the Directors to allot and issue shares up to a maximum of ten percent (10%) of the total issued and paid-up share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company, without having to convene a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

   As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 17 December 2014 and which will lapse at the conclusion of the Forty-Seventh Annual General Meeting.

   This is a renewal of general mandate, if approved, will provide flexibility to the Company to avoid any delay and cost in convening a general meeting for such issuance of shares for any possible fund raising exercise(s), including but not limited to placing of shares for the purpose of funding future investment project(s), working capital and/or acquisition(s) and/or for general corporate purposes and/or any strategic reasons.

   (ii) ***Proposed Renewal of Share Buy-Back Authority***

   Resolution 10, if passed, will empower the Company to purchase and/or hold the Company's shares up to ten percent (10%) of the issued and paid-up share capital of the Company by utilising the funds allocated which shall not exceed the total retained profits and/or share premium account of the Company. This authority, unless renewed, revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. Further information on the Proposed Renewal of Share Buy-Back Authority is set out in the Share Buy-Back Statement dated 24 November 2015, which is dispatched together with the Company's Annual Report 2015.

   (iii) ***Retention of Independent Non-Executive Directors***

   Resolutions 11 and 12, if passed, will allow the Independent Non-Executive Directors to be retained and continue acting as independent directors to fulfill the requirements of Paragraph 3.04 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and in line with the Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012. The justifications and recommendations for the retention are set out in page 44 of the Statement on Corporate Governance in the Company's Annual Report 2015.

Statement Accompanying Notice Of Annual General Meeting

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements")

1. **Details of individuals who are standing for election as Directors**

   No individual is seeking election as Director at the forthcoming Forty-Seventh Annual General Meeting of the Company.

2. **Statement relating to the general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements**

   The details of the general mandate are set out in the Notice of Annual General Meeting dated 24 November 2015 under item (i) of the Explanatory Notes on Special Business.

ANNEXURE A

Lim Peng Jin
T1-L25 A Boulevard
Jalan SS12/1
Subang Jaya
47500 Petaling Jaya
Selangor Darul Ehsan

2 November 2015

The Board of Directors
Scientex Berhad
Jalan Utas 15/7
40200 Shah Alam
Selangor Darul Ehsan

Dear Sirs

NOTICE OF NOMINATION OF AUDITORS

I, the undersigned, being the registered shareholder of Scientex Berhad ("the Company"), hereby give notice, pursuant to Section 172(11) of the Companies Act, 1965 of my nomination of Messrs Deloitte for appointment as new Auditors of the Company in place of the retiring Auditors, Messrs Deloitte & Touche, and of my intention to propose the following resolution as an ordinary resolution to be considered at the forthcoming Annual General Meeting of the Company:-

"THAT Messrs Deloitte having consented to act, be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs Deloitte & Touche to hold office until the conclusion of the next annual general meeting at a remuneration to be determined by the Directors."

Yours faithfully

Lim Peng Jin

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FORM OF PROXY

SCIENTEX BERHAD
(Company No. 7867-P)
(Incorporated in Malaysia)

I/We ____________________ I.C. No./Passport No./Company No. ____________________

of ____________________

being a member/members of SCIENTEX BERHAD hereby appoint ____________________

I.C. No./Passport No. ____________________ of ____________________

____

and/or failing him/her, ____________________ I.C. No./Passport No. ____________________

of ____________________

or failing him/her, the Chairman of the Meeting as my/our proxy, to attend and vote for me/us and on my/our behalf as indicated below, at the Forty-Seventh Annual General Meeting of the Company to be held at **Scientex Packaging Film Sdn Bhd, Lot 4, Jalan Sungai Pinang 4/3, Seksyen 4, Taman Perindustrian Pulau Indah, 42920 Pelabuhan Klang, Selangor Darul Ehsan** on **Thursday, 17 December 2015** at **11.00 a.m.** or at any adjournment thereof:-

NO.	RESOLUTIONS	FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial year ended 31 July 2015 together with the Reports of the Directors and Auditors thereon		
2.	To approve the declaration of a single tier final dividend of 26% (13 sen per ordinary share)		
3.	To re-elect Mr Lim Peng Cheong as Director of the Company		
4.	To re-elect Mr Ang Kim Swee as Director of the Company		
5.	To re-appoint YBhg. Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim as Director of the Company		
6.	To re-appoint Mr Teow Her Kok @ Chang Choo Chau as Director of the Company		
7.	To approve the payment of Directors' fees of RM183,838.00		
8.	To appoint Messrs Deloitte as the Auditors of the Company in place of the retiring Auditors, Messrs Deloitte & Touche and to authorise the Directors to fix their remuneration		
9.	To authorise the Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965		
10.	To approve the Proposed Renewal of Share Buy-Back Authority		
11.	To retain YBhg. Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim to continue to serve as Independent Non-Executive Director of the Company		
12.	To retain Mr Cham Chean Fong @ Sian Chean Fong to continue to serve as Independent Non-Executive Director of the Company		

Please indicate with (✓) how you wish your vote to be cast. In the absence of specific instruction, your proxy will vote or abstain from voting at his/her discretion.

Dated this ____________ day of ____________________ 2015.

No. of Shares held	
CDS Account No.	
Contact No.	

____
Signature of Member(s)

Notes:-

1. *A member entitled to attend, speak and vote at the meeting is entitled to appoint at least one (1) proxy to attend, speak and vote in his stead and where a member appoints two (2) or more proxies, he shall specific the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
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3. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or the hand of its attorney.*
4. *The form of proxy must be deposited at the Company's Registered Office at Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time appointed for the holding of the meeting or any adjournment thereof.*
5. *In respect of deposited securities, only members whose names appear in the Record of Depositors as at 11 December 2015 shall be regarded as a member and entitled to attend, speak and vote at the meeting or appoint proxy to attend, speak and/or vote on his/her behalf.*

Fold this flap for sealing

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Here

COMPANY SECRETARY

SCIENTEX BERHAD (7867-P)

Jalan Utas 15/7

40200 Shah Alam

Selangor Darul Ehsan

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SCIENTEX BERHAD
(7867-P)
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Website: www.scientex.com.my

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healthy, friendly & happy ...